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Leave to file GRANTED in 18-mc-16  
11/30/18

Amy B. Jackson Date  
United States District Judge

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA, ) CRIMINAL NO. 17-cr- 201-1 (ABJ)  
Plaintiff, )  
vs. ) PETITION OF WOODLAWN, LCC FOR  
PAUL J. MANAFORT, JR., ) HEARING AND DETERMINATION  
Defendant. ) THAT PETITIONER'S INTEREST IN  
 ) PROPERTY SHOULD NOT BE  
 ) FORFEITED PURSUANT TO 21 USC §  
 ) 853(n)  
)  
)

Petitioner Woodlawn, LLC., a Nevada limited liability company (“Woodlawn”), through its managing member Joseph Rappa (“Rappa”), in response to this Court’s Consent Order filed on October 10, 2018 (Doc. No. 443) (the “Consent Order”) by which various items of property were sought to be forfeited, hereby submits facts under oath under the paragraphs set forth below in support of its right, title and interest in and to a first priority security lien (the “Lien”) in and to a property known as 123 Baxter Street, #5D, New York, New York 10016 (the “Property”) which secures a loan from Woodlawn to the Manafort (as hereafter defined) in the principal amount of \$1,025,000.00 (the “Obligation”) as referenced by that certain Secured Promissory Note dated August 7, 2017 (the “Note”) executed in favor of Woodlawn by Jesand, LLC. (“Jesand”), a Delaware limited liability company, through its sole and managing member,

1 Kathleen B. Manafort (“KBM”). The Obligation was further secured by that certain Guaranty of  
 2 Payment dated August 8, 2017, by Paul J. Manafort, Jr. (“PJM”) (the “Guaranty”)<sup>1</sup>. True and  
 3 correct copies of the Note and Guaranty are attached hereto and incorporated herein by reference  
 4 as Exhibits “1” and “2,” respectively.

5 **I. Background Information and Petitioner’s Title and Interest in the Property**

6 1. Woodlawn was established in 2017 as an investment/lending vehicle.  
 7 2. The Loan was one of the first clients to be considered by Woodlawn. Specifically,  
 8 Woodlawn became aware that the Manaforts needed a loan to help with professional expenses  
 9 (the “Loan”). The Loan was to be secured by a first priority secured lien on the Property.  
 10 3. The terms of the Loan were negotiated by and between Keith Berglund (“Berglund”) –  
 11 counsel for Woodlawn – and Bruce Baldinger (“Baldinger”) – counsel for the Manaforts.

12 4. The Loan was evidenced by the Note which set forth the Obligation, the maturity date  
 13 – initially, December 31, 2017 – the per annum interest rate of 7.25%, and the collateral – the  
 14 Lien and the Guaranty.

15 5. The Manaforts were requested to and provided Woodlawn with standard  
 16 documentation consistent with a loan secured by real estate. The loan documents included,  
 17 without limitation: a) a good standing certificate for Jesand (the “Certificate”), b) borrower’s  
 18 counsel opinion from Baldinger (the “Opinion”), c) consent of Jesand (the “Jesand Consent”), d)  
 19 affidavit of title from Jesand (“Jesand Affidavit”), and e) affidavit from AM (“AM Affidavit”).  
 20 True and correct copies of the Certificate, Opinion, Jesand Consent, Jesand Affidavit, and AM  
 21 Affidavit are attached hereto and incorporated herein by reference as Exhibits “3,” “4,” “5,” “6,”  
 22 and “7,” respectively.

23 6. The primary collateral for the Note was the Lien on the Project which is memorialized  
 24 by that certain Mortgage dated August 7, 2017 executed by each of Jesand and Am together with  
 25 a condominium rider pertaining to the Property (the “Mortgage”). A true and correct copy of the  
 26 Mortgage is attached hereto and incorporated herein by reference as Exhibit “8.”

27  
 28 <sup>1</sup> PJM, KBM, and their daughter Andrea Manafort (“AM”) shall hereafter be  
 collectively referred to as the “Manaforts.”

1       7. To further secure the Mortgage, Woodlawn requested and was provided title insurance  
 2 with respect to the Mortgage from First Nationwide Title Agency, LLC. (“Nationwide”) on or  
 3 about August 10, 2017 (the “Title Policy”). A true and correct copy of the Title Policy is  
 4 attached hereto and incorporated herein by reference as Exhibit “9.”

5       8. Nationwide also agreed to act as the escrow agent for the Loan closing pursuant to that  
 6 certain letter dated August 10, 2017 (the Escrow Agent Letter”). A true and correct copy of the  
 7 Escrow Agent Letter is attached hereto and incorporated herein by reference as Exhibit “10.”

8       9. In its capacity as escrow agent, Nationwide provided Woodlawn with evidence that the  
 9 Mortgage was duly recorded in accordance with the terms of the Loan including that certain  
 10 letter dated September 19, 2017 (the “Recording Letter”). A true and correct copy of the  
 11 Recording Letter is attached hereto and incorporated herein by reference as Exhibit “11.”

12      10. The Loan was disbursed by Woodlawn to the Manafortts in two segments: the first  
 13 wiring took place on August 10, 2017 in the amount of \$512,500.00 from the attorney client trust  
 14 account of Berglund to Nationwide and the second wire took place on August 21, 2017 in the  
 15 amount of \$506,841.00 (net of first month interest due under the Note and attorney fees due in  
 16 respect of the closing) from the attorney client trust account of Berglund to the attorney trust  
 17 account of Baldinger (the Manafortts’ attorney).

18      11. Thereafter, payments by the Manafortts to Woodlawn on the Note were made on a  
 19 sporadic basis. The monthly interest due under the Note was \$6,192.70. Payments under the Note  
 20 were made by KM or the Manafortts’ business manager.

21      12. At some point after the Loan was made, PJM was charged with the criminal  
 22 complaint that resulted in the Consent Order. The Manafortts, through Baldinger, formally  
 23 requested an extension of the Note via letter dated February 12, 2018 (the “Extension Request”).  
 24 The forbearance negotiations took place by and between Baldinger and Berglund. A true and  
 25 correct copy of the Extension Request is attached hereto and incorporated herein by reference as  
 26 Exhibit “12.”

27      13. Woodlawn did agree to forbear from declaring the Note in default post initial  
 28 maturity date and was negotiating the terms of a forbearance agreement. Unfortunately, the

1 Manafort further defaulted under the terms of the forbearance agreement and via that certain  
 2 default letter dated June 19, 2018 (the "Default Letter"), the Manafort were given until June 29,  
 3 2018 to pay the Obligation in full. The amount due under the Note as of June 19, 2018 was  
 4 \$1,043,337.39 (the "Default Obligation"). A true and correct copy of the Default Letter is  
 5 attached hereto and incorporated herein by reference as Exhibit "13."

6 14. The Manafort, through Baldinger, continued to request a further short term extension  
 7 of the Loan from Woodlawn through Berglund post receiving the Default Letter. Specifically,  
 8 Baldinger indicated that the Property was going to be either sold or refinanced as there was  
 9 significant equity in the Property to consummate a refinance.

10 15. During the course of the forbearance negotiations, the Consent Order was entered and  
 11 the Forfeiture Petition was filed. The amount due Woodlawn under the Note exceeds the Default  
 12 Obligation with interest and attorneys' fees continuing to accrue pursuant to the terms of the  
 13 Note and related Loan documents.

14 **III. Additional Facts Supporting Petitioner's Claim to Relief**

15 16. Relief in the form of the return of the property or its monetary equivalent has been  
 16 granted in other cases with similar fact patterns. These include In re Anchorage Nautical Tours,  
 17 Inc., 102 B.R.741 (9th Cir. BAP 1989), (pre-petition oral assignment of proceeds effective  
 18 against subsequent lien holders and bankruptcy trustee); In re Torrez, 63 B.R. 751 (9<sup>th</sup> Cir.BAP  
 19 1986) and In re Mississippi Valley Livestock, Inc., 745 F.3d 301 (7<sup>th</sup> Cir. 2014) (constructive  
 20 trust arises from the unauthorized or invalid transfer of property.)

21 17. Further, Petitioner owns a legal interest in the subject property that renders the  
 22 preliminary order of forfeiture invalid in whole or in part because that interest was vested in  
 23 Petitioner rather than the Defendant, pursuant to 21 U.S.C. §853(n)(6)(A).

24 18. Petitioner also owns an interest in the subject property that is superior to any interest  
 25 of the Defendant at the time of the commission of the acts which gave rise to the forfeiture of the  
 26 subject property in this action, pursuant to 21 U.S.C. §853(n)(6)(A).

27 19. Lastly, the relief requested is adequate because Petitioner is a bona fide purchaser for  
 28 value of its interest in the subject property and was at the time of purchase reasonably without

1 cause to believe that the property was subject to forfeiture, pursuant to 21 U.S.C. §853(n)(6)(B).

2 20. Should the court request or require any further information before ruling on this  
3 Petition, I would be happy to provide it to the best of my ability.

4 **IV. Verification**

5 I declare under penalty of perjury under the laws of the United States of America that the  
6 foregoing is true and correct.

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9 Executed this 22nd day of November 2018 at Los Angeles, California.

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John R. Gandy

**EXHIBIT "1"**

**SECURED PROMISSORY NOTE**

\$1,025,000.00

**THIS PROMISSORY NOTE** (this “Note”) dated as of August 7, 2017, is made by **JESAND, LLC**, a New York limited liability company, with an address at 10 St James Drive, Palm Beach Gardens, Florida 33418 (“Maker”), as follows:

**FOR VALUE RECEIVED**, Maker, promises to pay to the order of Woodlawn, LLC (“Lender”), at with an address at 123 W. Nye Lane, Ste 129, Carson City, Nevada 89706 or at such other place as may be designated in writing by the holder of this Note, the principal sum of **ONE MILLION and TWENTY FIVE THOUSAND 00/100 DOLLARS (\$1,025,000.00)** on the terms and with an interest rate as set forth herein. Capitalized terms not otherwise defined herein have the respective meanings ascribed to them in that certain Mortgage and Assignment of Leases and Rents and Security Agreement dated as of the date hereof made by Maker in favor of Lender, securing this Note and encumbering that certain real property located at and commonly known as 123 Baxter Street, Unit 5D, New York, New York (the “Mortgage”).

**IT IS HEREBY EXPRESSLY ACKNOWLEDGED AND AGREED THAT:** Payments under this Note shall be due and payable as follows:

(a) A payment of interest only on the date hereof, representing interest to accrue from the date hereof through and including the last day of this calendar month.

(b) Thereafter, payments of interest only in arrears on the first (1<sup>st</sup>) day of each calendar month, commencing on September 1, 2017 and continuing on the first (1<sup>st</sup>) day of each calendar month thereafter with a final payment on December 31, 2017 (the “Maturity Date”).

(c) On the Maturity Date, all outstanding principal, together with all accrued and unpaid interest, and any other sums payable under the Loan Documents, including, without limitation, the Yield Maintenance Premium, if any, shall be due and payable in full.

2. The interest rate in effect on any date for the period beginning on the date hereof through and including the date that this Note is paid in full, shall be 7.25% per annum, and shall be computed on the basis of a three hundred sixty (360) day year and actual days elapsed.

3. The principal sum secured by this Note shall become due at the option of the holder thereof (or as otherwise provided in the Mortgage) on the happening of any default or event by which, under the terms of the Mortgage securing this Note, said principal sum may or shall become due and payable; also, that all of the covenants, conditions and agreements contained in the

Mortgage are hereby made part of this instrument. If payment required to be made by Borrower under this Note has not been made when due, then upon the date that is five (5) Business Days after the date such payment was due and payable, the Lender may assess a late charge by way of damages and accelerate this Note and the same shall thereupon be immediately due and payable. It shall also be an "event of default" hereunder if a material adverse change occurs with respect to: the Property, the Borrower or the Guarantor, which such event of default shall allow Lender to accelerate the obligations due under the Note. Borrower recognizes that default by Borrower in making the payment(s) herein agreed to be paid when due will result in the Lender incurring additional expenses in servicing the Loan. In addition to the principal and interest due hereunder, Borrower shall pay any late charge of an additional 5.00% per annum and expenses and any attorney's fees and expenses Lender incurs in connection with the collection or enforcement hereof. Any and all costs incurred by the holder hereof in any action undertaken to obtain relief from the stay of bankruptcy statutes are specifically included in those costs and expenses to be paid by the Borrower pursuant hereto. Borrower hereby waives to the full extent permitted by law all right to plead any statute of limitations as a defense to any action hereunder.

3. Presentment and demand for payment, notice of dishonor, notice of intention to accelerate, notice of acceleration, protest and notice of protest and non-payment are hereby waived. Paragraphs 15, 22, and 24 of the mortgage are incorporated herein by reference.

4. It is expressly stipulated and agreed to be the intent of Maker and Lender at all times to comply with applicable state law or applicable United States federal law (to the extent that it permits Lender to contract for, charge, take, reserve, or receive a greater amount of interest than under state law) and that this paragraph shall control every other covenant and agreement in this Note and the other Loan Documents (as such term is defined in the Mortgage). If the applicable law (state or federal) is ever judicially interpreted so as to render usurious any amount called for under this Note or under any of the other Loan Documents, or contracted for, charged, taken, reserved, or received with respect to the indebtedness evidenced by this Note, or if Lender's exercise of the option to accelerate the Maturity Date, or if any prepayment results in Maker having paid any interest in excess of that permitted by applicable law, then it is Lender's express intent that all excess amounts theretofore collected by Lender shall be credited on the principal balance of this Note and the provisions of this Note and the other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the indebtedness evidenced by this Note shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Note until payment in full so that the rate or amount of interest on account of the indebtedness evidenced by this Note does not exceed the maximum lawful rate from time to time in effect and applicable to such indebtedness for so long as such indebtedness is outstanding.

5. It is agreed that time is of the essence as to every term, condition and provision of this Note. This note shall be governed by and enforced in accordance with the laws of the State of New York and the parties hereby further consent to the jurisdiction and venue of the courts of New York County, borough of Manhattan relative to any disputes arising hereunder.

6. This Note may not be changed or terminated absent written agreement of the

Lender.

IN WITNESS WHEREOF, Maker has duly executed this Note as of the day and year first above set forth.

**MAKER:**

**JESAND, LLC**  
a Delaware limited liability company

By: *Kathleen B Manafort*  
Name: Kathleen B. Manafort  
Title: Sole Member and Managing Member

VIRGINIA  
STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF ALEXANDRIA )  
NEW YORK )

On this 7th day of August, in the year 2017, before me, the undersigned, personally appeared Kathleen B. Manafort, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.



JASPER S YOO  
NOTARY PUBLIC 7596759  
COMMONWEALTH OF VIRGINIA  
MY COMMISSION EXPIRES AUGUST 31, 2018

Notary Public

**EXHIBIT "2"**

**GUARANTY OF PAYMENT**

**GUARANTY OF PAYMENT**, dated August 8, 2017 (the "Guaranty") from the undersigned (hereinafter, collectively referred to as the "Guarantor") to Woodlawn, LLC (hereinafter referred to as the "Lender"), a company maintaining an office for the transaction of business at 123 W. Nye Lane, Ste 129, Carson City, Nevada 89706 ("Lender").

**PRELIMINARY STATEMENT**

**WHEREAS**, JESAND, LLC, (the "Borrower") has requested that the Lender loan to Borrower the sum of **\$1,025,000.00** (the "Loan") with respect to certain premises:

123 Baxter Street, Unit 5D, New York, New York

more fully described in Schedule A annexed hereto, and the improvements situated thereon (such premises and improvements are collectively hereinafter referred to as the "Premises"); and

**WHEREAS**, the Loan is to be evidenced by that certain **Mortgage Secured Promissory Note** to be dated **August 8, 2017** made by Borrower to Lender (the "Note") and secured by that certain **Mortgage** made by Borrower to Lender (the "Mortgage"); and

**WHEREAS**, as part of the consideration for granting the Loan, Borrower has agreed to procure and deliver to Lender this Guaranty; and

**WHEREAS**, Lender has declined to grant the Loan unless this Guaranty is duly executed by Guarantor and delivered to Lender.

**NOW, THEREFORE**, in consideration of the premises and as part of the consideration for making the Loan, Guarantor for himself individually covenants and agrees to and with Lender as follows:

1. Guarantor hereby unconditionally, absolutely and irrevocably guarantees to Lender the punctual, prompt and complete payment of (i) the outstanding indebtedness due under the Note and (ii) the interest which is due and payable on the amount set forth under the Note, and (iii), it being expressly understood and agreed that this is a continuing Guaranty and an instrument for the payment of money only, and that the obligations of Guarantor are and shall be absolute, unconditional and irrevocable under any and all circumstances without regard to the legality, binding effect, validity, regularity, or enforceability of the Note, Mortgage, or any other documents executed in connection herewith or therewith, a true copy of each of such documents Guarantor hereby acknowledges having received, reviewed and approved.

2. Guarantor agrees that his liabilities under this Guaranty shall be unaffected, regardless of whether notice or consideration is given or his further consent obtain, by (i) any amendment, supplement, modification or other changes in the Note or Mortgage, or any other instrument made to or with Lender by Borrower or any person or entity who succeeds Borrower as owner of the Premises, or any part thereof, (iv) exculpatory provisions, if any, in any of such instruments limiting Lender's recourse to property encumbered by the Mortgage or any other security or limiting Lender's rights to enforce a deficiency judgment against Borrower, (v) any release of Borrower or any Guarantor or any other person or entity from performance or

observance of any of the agreements, terms, covenants or conditions contained in any of such instruments whether by operation of law or otherwise, (vi) Lender's failure to record the Mortgage or to otherwise perfect, protect secure or insure any security or lien given as security for the Loan, (vii) the accuracy or inaccuracy of any representations or warranties made by Borrower in the Mortgage by Guarantor in this Guaranty or in any other documents executed by Guarantor in connection with the Loan, (ix) any bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement for the benefit of creditors, receivership, trusteeship or other law of like import affecting Borrower, the Premises, any guarantor or any of their respective successors and assigns, including, but not limited to, any automatic stay granted pursuant to any provision of a bankruptcy or similar law, (x) notwithstanding any provision to the contrary contained or implied in the Mortgage or by law or in equity, any recovery as a result of the exercise of any Lender's rights or remedies under the Mortgage unless as a result thereof Lender has been paid the entire amount owed to Lender under the Mortgage (hereinafter such obligations owed to Lender are referred to as the "Indebtedness") and (xi) any defense given to guarantor or surety at law or in equity.

3. Guarantor agrees that to the extent any amounts (i) are collected by Lender in connection with any other guaranty or guaranties which are executed by Guarantor or any other person or entity which may have or may hereafter guarantee all or part of the Indebtedness or (ii) are paid to Lender by guarantor or by any person or entity which may have or may hereafter execute any guaranty or guaranties of all or part of the Indebtedness, that regardless of the way such payments or amounts are characterized by Guarantor or any other person or entity, Lender shall have the right, but not obligation, to apply such amounts first to that part of the Indebtedness, if any, which is not covered by this Guaranty but which is covered by any other guaranty or guaranties of all or part of the Indebtedness.

4. Guarantor waives any and all legal requirements that Lender shall institute any action or proceedings as law or in equity against Borrower, or anyone else, or exhaust its remedies against Borrower, or anyone else in respect of the Loan, Mortgage or in respect of any other security held by Lender as a condition precedent to bringing an action against Guarantor upon this Guaranty. All remedies afforded to Lender by reason of this Guaranty are separate and cumulative remedies and no one of such remedies, whether exercised by Lender or not, shall be deemed to be an exclusion of any of the other remedies available to Lender and shall not limit or prejudice any other legal or equitable remedy which Lender may have. This is a guaranty of payment and not of collection.

5. Guarantor agrees that until each and every term, covenant and condition of this Guaranty is fully performed and fulfilled, he shall not be released by any act or thing which might, but for this provision, be deemed a legal or equitable discharge of a surety or a guarantor, or by reason of any waiver, extension, modification, forbearance or delay or other act or omission of Lender or its failure to proceed promptly or otherwise, or by reason of any action taken or omitted or circumstance which may or may not vary the risk or affect rights or remedies by reason of any further dealings between Borrower and Lender, whether relating to the Loan, Mortgage or to otherwise, and Guarantor waives and surrenders any defense to his liabilities hereunder based upon any of the foregoing acts, omissions, agreements, waivers or any of them and also waives and relinquishes all other rights and remedies accorded by applicable law to

guarantors and sureties, it being the purpose and intent of this Guaranty that the obligations of Guarantor, hereunder is and that this Guaranty is absolute, irrevocable and unconditional under any and all circumstances. No amendment, modification, discharge, waiver, or release of this Guaranty shall be established by conduct, custom or course or business.

6. Guarantor waives notice of acceptance of this Guaranty and of presentment for payment, demand, protest, notice of protest and of dishonor, notices of default and all other notices of every kind and description now or hereafter provided by any constitution, statue or rule of law.

7. If Guarantor shall advance or become obligated to pay any sum with respect to this Guaranty, Mortgage or the Loan, or for any other purpose in connection with the Premises, or any part thereof, or if for any reason whatsoever Borrower or any subsequent owner of the Premises, or any part thereof, is now, or shall hereafter become, indebted to Guarantor, Guarantor agrees that the amount of such sums and of such indebtedness and all interest thereon shall at all times be subordinate as to lien, time of payment and in all other respects to all sums, including principle, interest and other amounts at any time owing to Lender under the Loan or the obligations evidencing the same or the Mortgage and that Guarantor shall not be entitled to enforce or receive payment thereof until the Indebtedness is paid in full. Nothing herein contained is intended or shall be construed to give Guarantor any right of subordination in or under the Loan, the obligations evidencing the same, the Mortgage or any right to participate in any way therein or in the right, title or interest of Lender in or to the Premises, or any part thereof, or other mortgaged property, notwithstanding any payment made by Guarantor with respect to this Guaranty, the Mortgage or Loan, all such rights of subordination and participation being expressly waived and released until the indebtedness is paid in full.

8. Any notice, demand or request by Lender to Guarantor shall be in writing and shall be deemed to have been duly given or made one (1) business day following the date when sent by any reputable overnight courier addressed to Guarantor at his address set forth at the foot hereof.

9. (a) This Guaranty is to be construed according to the laws of the State of California. Without limiting other methods of obtaining jurisdiction, Guarantor hereby agrees to submit to exclusive personal jurisdiction of the state or federal (as applicable) courts of Los Angeles County, Central District, the State of California in any action or proceeding arising out of this Guaranty. In furtherance of such agreement, Guarantor hereby agrees and consents that any process or notice of motion or other application to any such court connection with any such action or proceeding may be served upon the undersigned by personal service within or without the jurisdiction of any such court. The foregoing shall not be deemed a limitation of Lender's right to bring an action based on this Guaranty in all other jurisdictions.

(b) In the event any action or proceeding be brought by Lender to enforce this Guaranty, or by or against Guarantor or Lender, or both, or Lender appears in any action or proceeding, in such event, Guarantor agrees to pay Lender reasonable attorney's fees and court costs at trial or on appeal, together with all interest at the default rate set forth in the Mortgage from the date demand is made by Lender on this Guaranty until payment in full is received.

10. Guarantor represents and warrants that:

(a) There are no actions, suits or proceedings pending or, to the knowledge of Guarantor, threatened against or affecting Guarantor or the properties of Guarantor before any court, governmental departmental department, arbitrator, commission, board, bureau, agency or instrumentality, domestic or foreign, which, if determined adversely to Guarantor, would have a material adverse effect on the financial condition, business, properties or operations of Guarantor.

(b) Neither the business nor properties of Guarantor are affected by a fire, explosion, strike, lockout or other labor dispute, drought, storm, hall, earthquake, embargo, acts of God or of the public enemy or other casualty (whether or not covered by insurance) which would have a material adverse effect upon the financial condition, business, properties or operations of Guarantor.

(c) Guarantor is not a party to any indenture, loan or credit agreement or any lease or other agreement or instrument or subject to any charter or other restriction which would have a material adverse effect on the ability of Guarantor to carry out his obligations under this Guaranty.

(d) No information, exhibit or report furnished by Guarantor to Lender in connection with the negotiation of this Guaranty contained as of the date of furnishing thereof any material misstatement of fact or omitted to state a material fact necessary to make the statements contained therein not misleading.

(e) Guarantor has the full power, legal right, authority and requisite capacity to execute and deliver this Guaranty, and to observe, perform and fulfill the provisions hereof.

11. Guarantor agrees to furnish Lender with the information with respect to the business, properties, operations or condition, financial or otherwise, of Guarantor as Lender may from time to time reasonably request.

12. Should Lender be obligated by any bankruptcy or other law to repay to Borrower or Guarantor or to any trustee, receiver or other representative of any of them, any amounts previously paid in respect of this Guaranty, then this Guaranty shall be reinstated to include the amount of such payment. Lender shall not be required to litigate or otherwise dispute its obligation to make such repayments if, in good faith and on the advice of counsel, it believes that such obligations exists.

13. If any action, suit or proceeding which either directly or indirectly involves the Guaranty is commenced, Guarantor waives his right to any jury trial in connection therewith.

14. If any of the provisions of the Guaranty, or the application thereto to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Guaranty, or the application of such provision to persons or circumstances other than those as to

whom or which it is held invalid or enforceable shall not be affected thereby, and every provision of the Guaranty shall be valid and enforceable to the fullest extent permitted by law.

15. Guarantor agrees to indemnify Lender against any reasonable loss, cost or expenses in the nature of costs, expenses and reasonable attorney's fees and expenses caused by the assertion by Guarantor of any unsuccessful defense to his obligations under this guaranty. Grantor waives any right or claim of right to cause a marshaling of Borrower's assets or to cause Lender to proceed against any security for the Mortgage before proceeding against Guarantor. Guarantor agrees that any payments required to be made by him hereunder shall become due in accordance with the Mortgage immediately upon the happening of any default following the expiration of any applicable grace period under the Mortgage and without presentment of the Mortgage to Borrower, demand for payment or protest thereof, or notice or nonpayment or protest thereof.

16. This Guaranty is separate, distinct and in addition to any liability or obligation that Guarantor may have under any other guaranty executed by Guarantor in connection with any other loan from Lender to Borrower and no other agreement or guaranty executed in connection with the Loan shall act to reduce or set off Guarantor's liability hereunder.

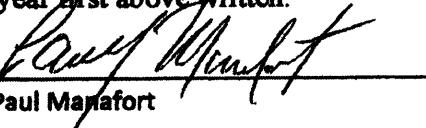
17. This Guaranty shall be binding upon the heirs, legal representatives, successors and assigns of Guarantor and shall inure to the benefit of Lender and its successors and assigns.

18. This Guaranty may not be modified, amended, discharged or otherwise changed orally, but only by an instrument in writing which is executed and delivered by Guarantor and Lender.

19. Guarantor acknowledges that he has received a true copy of this Guaranty and agrees that he has executed and delivered the Guaranty to Lender, intending that Lender materially and justifiably rely thereon in connection with the Loan.

20. In interpreting this Guaranty, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

**IN WITNESS WHEREOF**, Guarantor has duly executed this Guaranty as of the day and year first above written.

by:   
Paul Manafort

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.:  
A.C.

On the \_\_\_\_\_ day of \_\_\_\_\_, in the year 201\_\_\_\_\_, before me, the undersigned, personally appeared Paul Manafort, personally known to me or proved to me on the basis of satisfactory evidence to be individual whose name is subscribed to the within instrument and acknowledged to me that (he/she) executed the same in (his/her) capacity, and that by (his/her) signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

California Notarial Seal  
on attached  
Acknowledgment

A.C.

Notary

California Notarial Seal  
on attached  
Acknowledgment

A.U.

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT****CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

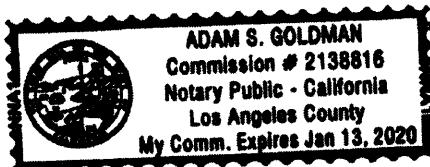
State of California \_\_\_\_\_ )  
 County of Los Angeles \_\_\_\_\_ )  
 On August 8, 2017 before me, \_\_\_\_\_ Adam S. Goldman, Notary Public  
 Date \_\_\_\_\_ Here Insert Name and Title of the Officer  
 personally appeared Pas Marlo Port  
 Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Adam S. Goldman Adam S. Goldman, Notary Public



Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document Guaranty or Payment Document Date: \_\_\_\_\_  
 Title or Type of Document: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney In Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney In Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

**EXHIBIT "3"**

# Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF  
DELAWARE, DO HEREBY CERTIFY "JESAND, LLC" IS DULY FORMED UNDER THE  
LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A  
LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF  
THE TWENTY-SIXTH DAY OF JULY, A.D. 2017.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN  
PAID TO DATE.



4437420 8300

SR# 20175415325

You may verify this certificate online at [corps.delaware.gov/authver.shtml](http://corps.delaware.gov/authver.shtml)

A handwritten signature of Jeffrey W. Bullock in black ink.

Authentication: 202950328

Date: 07-26-17

**EXHIBIT "4"**



BRUCE E. BALDINGER  
ADMITTED NJ, NY, FL  
BBALDINGER@BALDINGERLAW.COM  
WWW.BALDINGERLAW.COM

365 SOUTH STREET  
MORRISTOWN, NJ 07960  
TELEPHONE 908-218-0060  
FACSIMILE 973-270-0934

August 3, 2017

Woodlawn, LLC  
123 W. Nye Lane, Ste 129  
Carson City, Nevada 89706

**RE: Loan from Adler to Jesand, LLC as guaranteed by Paul Manafort**

Sir:

We refer to that certain loan documents all dated the date herewith by and between **Jesand, LLC** (the "Borrower") and **Woodlawn, LLC** (the "Lender") (as it may be amended, modified, supplemented, extended, replaced and/or restated from time to time, the "Loan Agreement"). This opinion is being delivered to you pursuant to the terms of the Loan Agreement. The capitalized terms used in our opinion and not defined herein shall have the respective meanings ascribed to them in the Loan Agreement.

We have acted as counsel to Borrower and to Paul Manafort (the "Guarantor" and collectively with the Borrower, the "Obligor") in connection with the loan transaction in which Lender is providing a loan to Obligor in the amount of \$1,025,000.00). In so acting and at their request, we have examined executed originals or counterparts of the Note, Guaranty, Mortgage, Resolution, and all other documents, instruments and certificates delivered in connection therewith (collectively, the "Loan Documents"). In such investigation we have assumed the genuineness of all signatures other than members and officers of the Borrower and the Guarantor, the authenticity of all documents submitted to us as originals, and the conformity with originals of all documents submitted to us as copies.

Based upon the foregoing, we are of the opinion that:

1. The Borrower is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware. The Borrower has all requisite corporate power and authority to own its properties and to carry on its business as now being conducted.
2. The Obligor has the power and authority in the Operating Agreement to enter into and perform the Loan Documents. The execution, delivery and performance of the Loan Documents have been duly authorized by all requisite action, and the Loan Documents have been duly executed and delivered by the Obligor.
3. The Loan Documents constitute legal, valid and binding obligations of the Obligor and are enforceable against it and in accordance with their respective terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general. The enforceability of the Obligor's obligations thereunder is also subject to general principles of equity, regardless of whether such enforcement is considered as a proceeding in law or equity.

Page 2

4. The execution, delivery and performance of the Loan Documents by the Obligor will not conflict with or result in a violation (with due notice or lapse of time, or both) of its bylaws, certificate of incorporation or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any property or assets of the Obligor except as contemplated by the Loan Documents.

5. No action of, filing with or consent of, any governmental or public body or authority, or any other person or entity, is required to authorize, or is otherwise required in connection with, the execution, delivery and performance of the Loan Documents.

6. By its execution and delivery to the Lender of the Loan Documents and filing of Uniform Commercial Code financing statements in the appropriate filing offices, the Borrower effectively grants to the Lender a perfected lien security interest in the Collateral.

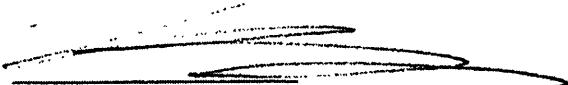
7. Except as otherwise disclosed, this firm is not aware of any action, suit or proceeding pending or threatened against or affecting the Obligor before or by any court, administrative agency or any other governmental authority.

8. Without having conducted any independent review and in reliance upon the representation of the Obligor which is assumed as truthful, this firm is not aware of any facts which would lead it to believe that the Obligor not in default with respect to any order, writ, injunction or decree of any court or of any Federal, state, municipal or other governmental department, commission, board, bureau, agency or authority, domestic or foreign, or that it is in violation of any law, statute or regulation, domestic or foreign, to which it or any of its properties are subject.

9. This Opinion letter is provided solely to Wieldawn, LLC, its officers, agents and other professionals. It is not to be relied upon by any other person or entity and shall be deemed void upon the termination or refinance of the Obligor's indebtedness with Lender under the transaction upon which this firm provided closing advice and services, regardless of whether our representation continued of the Obligor or Guarantor continued thereafter.

10. The opinions in this letter are limited to the matters set forth herein; no Opinion may be inferred or implied beyond the matters expressly stated in this letter; and the opinions must be read in conjunction with the assumptions, limitations, exceptions and qualifications set forth in this letter. We assume no obligation to update this opinion to advise you of any changes in facts or laws subsequent to the date hereof.

Very truly yours,

  
Bruce E. Baldinger, Esq.  
The Law Offices of Bruce E. Baldinger, LLC



**EXHIBIT "5"**

**ACTION BY THE UNANIMOUS CONSENT  
OF THE MANAGING MEMBERS OF JESAND, LLC**

The Member and Managing Member of Jesand, LLC, a Delaware Limited Liability Company (the "Company"), acting pursuant to the authority of the Laws of the State of Delaware, hereby consent to the adoption of the following Resolutions:

RESOLVED, that the Member and Managing Member have waived any formal notice of meeting;

RESOLVED, that the Company is authorized to enter into an agreement to borrower the sum of \$1,025,000.00. The Company is authorized and empowered to provide a mortgage of the same amount of the Company's property located at 123 Baxter Street, Unit 5D, New York, NY.

RESOLVED that all documents may be executed on the Company's behalf by Kathleen Manafort who is the sole Member and;

RESOLVED, that any and all actions heretofore or hereafter taken by any manager of the Company within the terms of the foregoing resolutions, be and are hereby ratified, confirmed, approved and adopted in all respects;

I, Kathleen Manafort, Secretary, Managing Member and sole Member of Jesand, LLC certify that the foregoing is a true copy of a resolution as it appears in the records of the company and as was duly and legally adopted as a meeting of the Managing Members and Members of the Company called for that purpose and held on August 7, 2017, pursuant to and in accordance with the organizing documents and operating agreement; that it has not been modified, amended or rescinded and is in full force and effect as of the date hereof.

Dated:



Kathleen Manafort, Secretary and  
Managing Member

**EXHIBIT "6"**

AFFIDAVIT OF TITLE

JESAND, LLC

~~VIRGINIA~~  
STATE OF ~~NEW YORK~~ :  
: ss.

COUNTY OF ~~ALEXANDRIA~~

Kathleen Manafort, ("Deponent") an individual over the and as a member and the manager of Jesand, LLC, a Delaware limited liability company ("Borrower"), being duly sworn, deposes and says:

1. That Deponent resides at 10 St. James Dr., Palm Beach Gardens, State of Florida 33418 and is a citizen of the United States of America; that she is over the age of twenty-one years, and is a member of Borrower, a duly created limited liability company, organized and existing under and by virtue of the Laws of the State of Delaware, with its principal office located at 10 St. James Dr., Palm Beach Gardens, State of Florida 33418, and that Deponent, as such member, is duly authorized to make this affidavit on behalf of Seller.
2. The Borrower has at all times been in good standing with the office of the Delaware Secretary of State and that Borrower is now in good standing thereunder.
3. That a true and complete copy of Borrower's articles of organization are annexed hereto as Exhibit A.
4. That Kathleen Manafort is the sole member of Borrower and no other person or entity has any ownership interest in (or claim against any member's interest in) Borrower.
5. That prior to the date hereof, along with Andrea Manafort, Borrower has been in uninterrupted possession and the owner in fee simple of the property known as 123 Baxter Street, Unit 5D, New York, NY (the "Property") since October 18, 2007, having acquired title to the Property by deed dated from Baxter Condo Sales, LLC (the "Deed").
6. That a true and complete description of the Property is annexed to the Mortgage.
7. That Borrower, at the date hereof, is not the owner of other real property adjoining or adjacent to the Property.
8. That there are no financing statements, title retention agreements, or security agreements covering additions to or fixtures in or on the improvements forming part of the Property which are not being discharged, satisfied and released of record simultaneously with the submission of this affidavit.

9. (a) That along with Andrea Manafort, Borrower has been in quiet, continuous, open and peaceable possession of the Property claiming title thereto under the Deed since the date thereof and that such possession has been open, notorious, undisputed and undisturbed. That aside from Andrea Manafort no person or entity has ever made or maintained any claim to any right, title or interest in or to the Property.
- (b) That neither the title to the Property nor the possession thereof by Borrower nor by any of its predecessors in title has ever been disputed or questioned to Deponent's knowledge, information and belief and that no person or entity other than Borrower and its predecessors in title has ever had or claimed any right, title or interest in or to the Property or any part thereof by actual occupation or by unrecorded deed.
- (c) That Deponent has no knowledge or information that any part of the Property was sold at any tax sale or that any proceeding for that sale of the Property is now pending or threatened.
- (d) That all real property taxes and assessments which have accrued or are due as of the date hereof with respect to the Property have been paid in full (whether or not a lien).
- (e) That all sewer rents, sewer charges, water/sewer meter charges and water frontage charges have been paid or discharged fully by Borrower as of the date hereof with respect to the Property and that Borrower has agreed that, if at any time after the date hereof, any lien shall be discovered or placed upon the Property for the period prior to the date hereof, Borrower shall discharge the same promptly.
- (f) That no part of the Property has at any time been dedicated to public use as a street or highway, by dedication, usage, prescription or otherwise.
- (g) That Deponent knows of no reason by which title to and possession of the Property may be disputed or questioned and no reason by which any claim to any part thereof or to any interest therein, adverse to Borrower or Borrower's predecessors in title, could or might be made.
- (h) That all common charges have been paid through August 1, 2017 and Deponent affirmatively represents that borrower will continue to do so.

10. That no work has been performed upon or with respect to the Property within the past eight (8) months that could ripen into a mechanic's lien and that there are no outstanding liens or violations which have ripened to liens, against the Property or any part thereof, whether or not such liens or violations are reflected in the records of the County Clerk in County.
11. That there is no existing licenses, leases, oral or written, recorded or unrecorded, affecting the Property or any part thereof.
  - a. That there are no judgments, injunctions, decrees, attachments, or orders of any court for the payment of money against Borrower or to which it is a party, unsatisfied or not cancelled of

record in any of the federal or state courts of the United States of America or any suit or proceeding pending anywhere affecting the Property.

b. That no case or proceeding in bankruptcy has ever been instituted by or against Borrower or any of its members in any federal or state court of the United States of America nor has Borrower at any time made an assignment for the benefit of creditors. No filing in bankruptcy is contemplated by Borrower.

12. That no statement of fact has been omitted by Deponent from this affidavit which would make this affidavit misleading or incorrect, or which, with the mere passage of time, would make this affidavit misleading or incorrect.

13. This affidavit is intended to be relied on by the lender in order to provide a loan of \$1,025,000.00 and for First Nationwide Title (or similarly situated title company) to issue a policy of insurance covering the above stated premises.



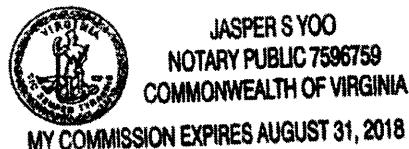
Kathleen B. Manafort, Managing Member

Sworn to before me this

7<sup>th</sup> day of August \_\_\_, 2017



Notary Public



**EXHIBIT "7"**

**AFFIDAVIT of ANDREA MANAFORT**

DATE: 8/7/17

I, Andrea Manafort being duly sworn, deposes and says:

1. I am an owner of the property located at 123 Baxter Street, Unit 5D, New York, NY (the "Property") which is being used to secure a loan being made to Jesand, LLC.
2. Along with Jesand, LLC, we are in sole possession of and occupy the Unit identified above. I have no knowledge of or notice that any other person or persons has or may claim any right to possession of the Unit under rights provided by law, by reason of any lease having been entered into, or otherwise;
3. There are no bankruptcy or insolvency proceeding(s), federal tax liens, judgments or New York State tax warrants against me filed in any jurisdiction;
4. There are no judgments, federal tax liens, or other liens against me. If any are disclosed through a title search, such judgment as are not against me but against someone having the same name or similar name;
5. There are no loans, security interests, pledges, dispositions, assignments or liens upon the Property. All common charges have been paid through July 31, 2017 and I affirmatively represent to continue to do so.
6. The property is not my primary or residential property.
7. I have not been known by any other name(s) during the past ten years except Andrea Shand.
8. I am not a party in a matrimonial action brought to obtain separation, a divorce, an annulment, a declaration of the validity, nullity, or dissolution of my marriage, or for the purpose of obtaining maintenance or a distribution of marital property. (DRL Section 236).

I make this affidavit to induce the providing of a loan of \$1,025,000.00 secured by the Property and for First Nationwide Title to insure a Lenders Interest on the Property granted by me which relates to the Unit.

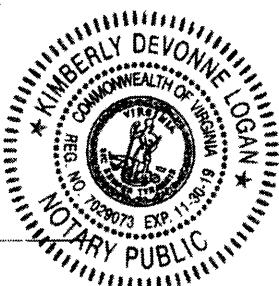


Andrea Manafort

Sworn to before me this 7<sup>th</sup> day  
of August, 2017



Notary Public



**EXHIBIT "8"**

14  
FN-13390-NY  
New York

B1K:206  
Lot: 1122  
Unit: 5D

When recorded, return to:

Title Order No.: FN-13390-NY

[Space Above This Line For Recording Data]

## MORTGAGE

A Borrower has executed a Promissory Note in connection herewith and made payable to the order of Lender in an amount of One Million Twenty Five Thousand Dollars (\$1,025,000.00), plus interest at the rate provided therein (the "Note"). Additionally, Andrea Manafort, as co-owner, has executed this Mortgage for the purposes of providing Lender with a first Mortgage position.

C Borrower desires to secure the prompt payment of the indebtedness and interest evidenced by the Note, and the due, prompt and complete observance, performance and discharge of each and every obligation, covenant and agreement set forth in the Note, in this Mortgage, and in any other Loan Documents (as hereinafter defined). For purposes of this Mortgage, the Note and any documents executed or delivered in connection with the Note are referred to collectively herein as the "Loan Documents;" provided, however, any environmental indemnity or environmental indemnity agreement, executed by Borrower or any other persons in connection with the Loan, shall in no event constitute a Loan Document for purposes of this Mortgage.

## MORTGAGE

### WORDS USED OFTEN IN THIS DOCUMENT

(A) "Security Instrument." This document, which is dated August 7, 2017, together with all Riders to this document, will be called the "Security Instrument."

(B) "Borrower." Jesand, LLC. For purposes of this mortgage, Andrea Manafort shall also be termed "Borrower" although she shall not be indebted on the Note and executes this document in order to provide security and collateral for the loan.

whose address is

C/O BRUCE E. BALDINGER, ESQ., 365 South Street, Morristown, NJ 07960,  
sometimes will be called "Borrower" and sometimes simply "I" or "me."  
(C) "Lender" is Woodlawn, LLC. Lender is an individual with an address of 123 W. Nye Lane, Ste 129, Carson City, Nevada 89706. Lender is the mortgagee under this Security Instrument.  
(D) "Note." The note signed by Borrower and dated August 7, 2017 will be called the "Note." The Note

shows that I owe Lender ONE MILLION AND TWENTY FIVE THOUSAND 00/100 Dollars .....(U.S. \$1,025,000.00) plus interest and other amounts that may be payable. I have promised to pay this debt in Periodic Payments and to pay the debt in full by December 31, 2017 unless otherwise extended in writing.

(E) "Property." The property that is described below in the section titled "Description of the Property," will be called the "Property."

(F) "Loan." The "Loan" means the debt evidenced by the Note, plus interest, late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(G) "Sums Secured." The amounts described above under the "Note" Section sometimes will be called the "Sums Secured."

(I) "Riders." All Riders attached to this Security Instrument that are signed by Borrower will be called "Riders." The following Riders are to be signed by Borrower [check box as applicable]:

Adjustable Rate Rider     Condominium Rider     Second Home Rider

(J) "Applicable Law." All controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable, judicial opinions will be called "Applicable Law."

(K) "Community Association Dues, Fees, and Assessments." All dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization will be called "Community Association Dues, Fees, and Assessments."

(L) "Electronic Funds Transfer." "Electronic Funds Transfer" means any transfer of money, other than by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Some common examples of an Electronic Funds Transfer are point-of-sale transfers (where a card such as an asset or debit card is used at a merchant), automated teller machine (or ATM) transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(M) "Escrow Items." Those items that are described in Section 3 will be called "Escrow Items."

(N) "Miscellaneous Proceeds." "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than Insurance Proceeds as defined in, and paid under the coverage described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) Condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of Condemnation or sale to avoid Condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property. A taking of the Property by any governmental authority by eminent domain is known as "Condemnation."

(O) "Mortgage Insurance." "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(P) "Periodic Payment." The regularly scheduled amount due for (i) principal and interest under the Note, and (ii) any amounts under Section 3 will be called "Periodic Payment."

(Q) "RESPA." "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2801 et seq.) and its implementing regulation, Regulation X (12 C.F.R. Part 1024), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(R) "Secretary" means the Secretary of the United States Department of Housing and Urban Development or his designee.

(S) "Deposit Account Agreement" shall mean that certain Deposit Account and Security Agreement [Borrower's Funds Account] of even date herewith, providing Lender with a first lien security interest in the Borrower's Funds Account and the "Pledged Funds" (as defined in the Deposit Account Agreement [Borrower's Funds Account]) deposited therein.

#### DESCRIPTION OF THE PROPERTY

I give Lender and Lender's successors and assigns rights in the Property described in

(A) through (G) below:

(A) The Property which is located at 123 Baxter Street, Unit 6D, New York  
[Street] [City, Town or Village]

New York

[Zip Code]

This Property is in New York

County. It has the following legal description:

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS "EXHIBIT A"

APN #: Block: 206 Lot: 1122

- (B) All buildings and other improvements that are located on the Property described in subsection (A) of this section;
- (C) All rights in other property that I have as owner of the Property described in subsection (A) of this section. These rights are known as "easements and appurtenances attached to the Property;"
- (D) All rights that I have in the land which lies in the streets or roads in front of, or next to, the Property described in subsection (A) of this section;
- (E) All fixtures that are now or in the future will be on the Property described in subsections (A) and (B) of this section;
- (F) All of the rights and property described in subsections (B) through (E) of this section that I acquire in the future; and
- (G) All replacements of or additions to the Property described in subsections (B) through (F) of this section and all Insurance Proceeds for loss or damage to, and all Miscellaneous Proceeds of the Property described in subsections (A) through (F) of this section.

**BORROWER'S RIGHT TO MORTGAGE THE PROPERTY AND BORROWER'S OBLIGATION TO DEFEND OWNERSHIP OF THE PROPERTY**

I promise that: (A) I lawfully own the Property; (B) I have the right to mortgage, grant and convey the Property to Lender; and (C) there are no outstanding claims or charges against the Property, except for those which are of public record.

I give a general warranty of title to Lender. This means that I will be fully responsible for any losses which Lender suffers because someone other than myself has some of the rights in the Property which I promise that I have. I promise that I will defend my ownership of the Property against any claims of such rights.

**PLAIN LANGUAGE SECURITY INSTRUMENT**

This Security Instrument contains promises and agreements that are used in real property security instruments all over the country. It also contains other promises and agreements that vary in different parts of the country. My promises and agreements are stated in "plain language."

**COVENANTS**

I promise and I agree with Lender as follows:

1. **Borrower's Promise to Pay.** I will pay to Lender on time principal and interest due under the Note and late charges and other amounts due under the Note. I will also timely pay all expenses, taxes, insurance and other obligations due in respect of the Property. Payments due under the Note and this Security Instrument shall be made in U.S. currency. If any of my payments by check or other payment instrument is returned to Lender unpaid, Lender may require my payment be made by: (a) cash;
- (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location required in the Note, or at another location designated by Lender under Section 14 of this Security Instrument. Lender may return or accept any payment or partial payment if it is for an amount that is less than the amount that is then due. If Lender accepts a lesser payment, Lender may refuse to accept a lesser payment that I may make in the future and does not waive any of its rights. Lender is not obligated to apply such lesser payments when it accepts such payments. If interest on principal accrues as if all Periodic Payments had been paid when due, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until I make payments to bring the Loan current. If I do not do so within a reasonable period of time, Lender will either apply such funds or return them to me. In the event of foreclosure, any unapplied funds will be applied to the outstanding principal balance immediately prior to foreclosure. No offset or claim which I might have now or in the future against Lender will relieve me from making payments due under the Note and this Security Instrument or keeping all of my other promises and agreements secured by this Security Instrument.

2. **Application of Borrower's Payments and Insurance Proceeds.** Unless Applicable Law or this Section 2 requires otherwise, Lender will apply each of my payments that Lender accepts in the following order:

First, to interest due under the Note; Second to late charges due under the Note, and Third, to the principal of the Note.

If Lender receives a payment from me for a late Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the late Periodic Payment and the late charge. If more than one Periodic Payment is due, Lender may apply any payment received from me: First, to the repayment of the Periodic Payments that are due if, and to the extent that, each payment can be paid in full; Next, to the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due.

Any application of payments, Insurance Proceeds, or Miscellaneous Proceeds to principal due under the Note will not extend or postpone the due date of the Periodic Payments or change the amount of those payments.

3. **Intentionally Omitted.**

4. **Borrower's Obligation to Pay Charges, Assessments And Claims.** I will pay all taxes, assessments, water charges, sewer rents and other similar charges, and any other charges and fines that may be imposed on the Property and that may be superior to this Security Instrument. I will also make ground rents or payments due under my lease if I am a tenant on the Property and Community Association Dues, Fees, and Assessments (if any) due on the Property. If these items are Escrow Items, I will do this by making the payments as described in Section 3 of this Security Instrument. In this Security Instrument, the word "Person" means any individual, organization, governmental authority or other party. I will promptly pay or satisfy all Liens against the Property that may be superior to this Security Instrument prior to disbursement of the Note proceeds by Lender.

5. **Borrower's Obligation to Maintain Hazard Insurance or Property Insurance.** I will obtain hazard or property insurance to cover all buildings and other improvements that now are, or in the future will be, located on the Property. The insurance will cover loss or damage caused by fire, hazards normally covered by "Extended Coverage" hazard insurance policies, and any other hazards for which Lender requires coverage, including, but not limited to earthquakes and floods. The insurance will be in the amounts (including, but not limited to, deductible levels) and for the periods of time required by Lender. What Lender requires under the last sentence can change during the term of the Loan. I may choose the insurance company, but my choice is subject to Lender's right to disapprove. Lender may not

disapprove my choice unless the disapproval is reasonable. Lender may require me to pay either (a) a one-time charge for food zone determination, certification and tracking services, or (b) a one-time charge for food zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect the food zone determination or certification. If I disagree with the food zone determination, I may request the Federal Emergency Management Agency to review the food zone determination and I promise to pay any fees charged by the Federal Emergency Management Agency for its review.

If I fail to maintain any of the insurance coverages described above, Lender may obtain insurance coverage, at Lender's option and my expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage will cover Lender, but might or might not protect me, my equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. I acknowledge that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that I could have obtained. Any amounts disbursed by Lender under this Section 5 will become my additional debt secured by this Security Instrument. These amounts will bear interest at the interest rate set forth in the Note from the date of disbursement and will be payable with such interest, upon notice from Lender to me requesting payment.

All of the insurance policies and renewals of those policies will include what is known as a "Standard Mortgage Clause" to protect Lender and will name Lender as mortgagee and/or as an additional loss payee. The form of all policies and renewals will be acceptable to Lender. Lender will have the right to hold the policies and renewal certificates. If Lender requires, I will promptly give Lender all receipts of paid premiums and renewal notices that I receive.

If I obtain any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy will include a Standard Mortgage Clause and will name Lender as mortgagee and/or as an additional loss payee.

If there is a loss or damage to the Property, I will promptly notify the insurance company and Lender. If I do not promptly prove to the insurance company that the loss or damage occurred, then Lender may do so.

The amount paid by the insurance company for loss or damage to the Property is called "Insurance Proceeds." Unless Lender and I otherwise agree in writing, any Insurance Proceeds, whether or not the underlying insurance was required by Lender, will be used to repair or to restore the damaged Property unless: (a) it is not economically feasible to make the repairs or restoration; (b) the use of the Insurance Proceeds for that purpose would lessen the protection given to Lender by this Security instrument; or (c) Lender and I have agreed in writing not to use the Insurance Proceeds for that purpose. During the period that any repairs or restorations are being made, Lender may hold any Insurance Proceeds until it has had an opportunity to inspect the Property to verify that the repair work has been completed to Lender's satisfaction. However, this inspection will be done promptly. Lender may make payments for the repairs and restorations in a single payment or in a series of progress payments as the work is completed. Unless Lender and I agree otherwise in writing or unless Applicable Law requires otherwise, Lender is not required to pay me any interest or earnings on the Insurance Proceeds. I will pay for any public adjusters or other third parties that I hire, and their fees will not be paid out of the Insurance Proceeds. If the repair or restoration is not economically feasible or if it would lessen Lender's protection under this Security Instrument, then the Insurance Proceeds will be used to reduce the amount that I owe to Lender under this Security Instrument. Such Insurance Proceeds will be applied in the order provided for in Section 2. If any of the Insurance Proceeds remain after the amount that I owe to Lender has been paid in full, the remaining Insurance Proceeds will be paid to me.

If I abandon the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If I do not answer, within 30 days, a notice from Lender stating that the insurance company has offered to settle a claim, Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 24 of this Security Instrument or otherwise, I give Lender my rights to any Insurance Proceeds in an amount not greater than the amounts unpaid under the Note and this Security Instrument. I also give Lender any other of my rights (other than the right to any refund of unearned premiums that I paid) under all insurance policies covering the Property, if the rights are applicable to the coverage of the Property. Lender may use the Insurance Proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not thendue.

**6. Borrower's Obligations to Occupy The Property.** I will occupy the Property and use the Property as my principal residence within 60 days after I sign this Security Instrument. I will continue to occupy the Property and to use the Property as my principal residence for at least one year. The one-year period will begin when I first occupy the Property. However, I will not have to occupy the Property and use the Property as my principal residence within the time frames set forth above if Lender agrees in writing that I do not have to do so. I also will not have to occupy the Property and use the Property as my principal residence within the time frames set forth above if extenuating circumstances exist which are beyond my control.

**7. Borrower's Obligations to Maintain And Protect The Property And to Fulfill Any Lease Obligations.**

(a) **Maintenance and Protection of the Property.** I will not destroy, damage or harm the Property, and I will not allow the Property to deteriorate. Whether or not I am residing in the Property, I will keep the Property in good repair so that it will not deteriorate or decrease in value due to its condition. Unless it is determined under Section 5 of this Security Instrument that repair is not economically feasible, I will promptly repair the Property if damaged to avoid further deterioration or damage. If Insurance or Condemnation (as defined in the definition of Miscellaneous Proceeds) proceeds are paid because of loss or damage to, or Condemnation of, the Property, I will repair or restore the Property only if Lender has released those proceeds for such purposes. Lender may pay for the repairs and restoration out of proceeds in a single payment or in a series of progress payments as the work is completed. If the Insurance or Condemnation proceeds are not sufficient to repair or restore the Property, I promise to pay for the completion of such repair or restoration.

If condemnation proceeds are paid in connection with the taking of the property, Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts, and then to payment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments or change the amount of such payments.

(b) **Lender's Inspection of Property.** Lender, and others authorized by Lender, may enter on and inspect the Property. They will do so in a reasonable manner and at reasonable times. If it has a reasonable purpose, Lender may inspect the inside of the home or other improvements on the Property. Before or at the time an inspection is made, Lender will give me notice stating a reasonable purpose for such interior inspection.

**8. Borrower's Loan Application.** If, during the application process for the Loan, I, or any Person or entity acting at my direction or with my knowledge or consent, made false, misleading, or inaccurate statements to Lender about information important to Lender in determining my eligibility for the Loan (or did not provide Lender with

such information), Lender will treat my actions as a default under this Security Instrument. False, misleading, or inaccurate statements about information important to Lender would include a misrepresentation of my intention to occupy the Property as a principal residence. This is just one example of a false, misleading, or inaccurate statement of important information.

**8. Lender's Right to Protect Its Rights In The Property.** If: (a) I do not keep my promises and agreements made in this Security Instrument; (b) someone, including me, begins a legal proceeding that may significantly affect Lender's interest in the Property or rights under this Security Instrument (such as a legal proceeding in bankruptcy, in probate, for

Condemnation or Forfeiture (as defined in Section 10), proceedings which could give a Person rights which could equal or exceed Lender's interest in the Property or under this Security Instrument, proceedings for enforcement of a Lien which may become superior to this Security instrument, or to enforce laws or regulations); or (c) I have abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and Lender's rights under this Security Instrument.

Lender's actions may include, but are not limited to: (a) protecting and/or assessing the value of the Property; (b) securing and/or repairing the Property; (c) paying sums to eliminate any Lien against the Property that may be equal or superior to this Security instrument; (d) appearing in court; and (e) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security instrument, including its secured position in a bankruptcy proceeding. Lender can also enter the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, have utilities turned on or off, and take any other action to secure the Property. Although Lender may take action under this Section 8, Lender does not have to do so and is under no duty to do so. I agree that Lender will not be liable for not taking any or all actions under this Section 8.

I will pay to Lender any amounts, with interest, which Lender spends under this Section 8. I will pay those amounts to Lender when Lender sends me a notice requesting that I do so. I will pay interest on those amounts at the interest rate set forth in the Note. Interest on each amount will begin on the date that the amount is spent by Lender. This Security Instrument will protect Lender in case I do not keep this promise to pay those amounts with interest.

If I do not own, but am a tenant on the Property, I will fulfill all my obligations under my lease. I also agree that, if I acquire the full title (sometimes called "Fee Title") to the Property, my lease interest and the Fee Title will not merge unless Lender agrees to the merger in writing.

**10. Agreements About Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds are assigned to and will be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds will be applied to restoration or repair of the Property, if (a) the restoration or repair is economically feasible, and (b) Lender's security given in this Security Instrument is not lessened. During such repair and restoration period, Lender will have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect the Property to verify that the work has been completed to Lender's satisfaction. However, the inspection will be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless Lender and I agree otherwise in writing or unless Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender will not be required to pay Borrower any interest or earnings on the Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security given in this Security Instrument would be lessened, the Miscellaneous Proceeds will be applied to the Sums Secured, whether or not then due. The excess, if any, will be paid to me. Such Miscellaneous Proceeds will be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds will be applied to the Sums Secured, whether or not then due. The excess, if any, will be paid to me.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the Sums Secured immediately before the partial taking, destruction, or loss in value, the Sums Secured will be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the Sums Secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to me.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the Sums Secured immediately before the partial taking, destruction, or loss in value, the Miscellaneous Proceeds will be applied to the Sums Secured whether or not the sums are then due.

If I abandon the Property, or if, after Lender sends me notice that the Opposing Party (as defined in the next sentence) offered to make an award to settle a claim for damages, I fail to respond to Lender within 30 days after the date Lender gives notice, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the Sums Secured, whether or not then due. "Opposing Party" means the third party that owes me Miscellaneous Proceeds or the party against whom I have a right of action in regard to Miscellaneous Proceeds.

I will be in default under this Security Instrument if any civil or criminal action or proceeding that Lender determines could result in a court ruling (a) that would require Forfeiture of the Property, or (b) that could damage Lender's interest in the Property or rights under this Security Instrument. "Forfeiture" is a court action to require the Property, or any part of the Property, to be given up. I may correct the default by obtaining a court ruling that dismisses the court action, if Lender determines that this court ruling prevents Forfeiture of the Property and also prevents any damage to Lender's interest in the Property or rights under this Security Instrument. If I correct the default, I will have the right to have enforcement of this Security Instrument discontinued, as provided in Section 18 of this Security Instrument, even if Lender has required Immediate Payment in Full (as defined in Section 24). The proceeds of any award or claim for damages that are attributable to the damage or reduction of Lender's interest in the Property are assigned, and will be paid, to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property will be applied in the order provided for in Section 2.

**11. Continuation of Borrower's Obligations And of Lender's Rights.**

**(a) Borrower's Obligations. Intentionally Omitted.**

**(b) Lender's Rights.** Even if Lender does not exercise or enforce any right of Lender under this Security Instrument or under Applicable Law, Lender will still have all of those rights and may exercise and enforce them in the future. Even if: (1) Lender obtains insurance, pays taxes, or pays other claims, charges or Liens against the Property; (2) Lender accepts

payments from third Persons; or (3) Lender accepts payments in amounts less than the amount then due, Lender will have the right under Section 24 below to demand that I make immediate Payment in Full of any amounts remaining due and payable to Lender under the Note and under this Security Instrument.

**12. Obligations of Borrower And of Persons Taking Over Borrower's Rights or Obligations.** If more than one Person signs this Security Instrument as Borrower, each of us is fully obligated to keep all of Borrower's promises and obligations contained in this Security Instrument. Lender may enforce Lender's rights under this Security Instrument against each of us individually or against all of us together. This means that any one of us may be required to pay all of the Sums Secured. However, if one of us does not sign the Note: (a) that Person is signing this Security Instrument only to give that Person's rights in the Property to Lender under the terms of this Security instrument; (b) that Person is not personally obligated to pay the Sums Secured; and (c) that Person agrees that Lender may agree with the other Borrowers to delay enforcing any of Lender's rights, to modify, or make any accommodations with regard to the terms of this Security Instrument or the Note without that Person's consent.

Any Person who takes over my rights or obligations under this Security Instrument in writing, and is approved by Lender in writing, will have all of my rights and will be obligated to keep all of my promises and agreements made in this Security Instrument. Borrower will not be released from Borrower's obligations and liabilities under this Security Instrument unless Lender agrees to such release in writing. Any Person who takes over Lender's rights or obligations under this Security Instrument will have all of Lender's rights and will be obligated to keep all of Lender's promises and agreements made in this Security Instrument except as provided under Section 19.

**13. Loan Charges.** Lender may charge me fees for services performed in connection with my default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. Lender may collect fees and charges authorized by the Secretary. Lender may not charge fees that are prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to Applicable Law which sets maximum loan charges, and that Applicable Law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed permitted limits: (a) any such loan charge will be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment with no changes in the due date or in the monthly payment amount unless the Note holder agrees in writing to those changes. If I accept such a refund that is paid directly to me, I will waive any right to bring a lawsuit against Lender because of the overcharge.

**14. Notices Required under this Security Instrument.** All notices given by me or Lender in connection with this Security Instrument will be in writing. Any notice to me in connection with this Security Instrument is considered given to me when mailed by first class mail or when actually delivered to my notice address if sent by other means. Notice to any one Borrower will be notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address is the address of the Property unless I give notice to Lender of a different address. I will promptly notify Lender of my change of address. If Lender specifies a procedure for reporting my change of address, then I will only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender will be given by delivering it or by mailing it by first class mail to Lender's address stated on the first page of this Security Instrument unless Lender has given me notice of another address. Any notice in connection with this Security Instrument is given to Lender when it is actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

**15. Law That Governs this Security Instrument; Word Usage.** This Security Instrument is governed by federal law and the law of New York State. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might allow the parties to agree by contract or it might be silent, but such silence does not mean that Lender and I cannot agree by contract. If any term of this Security Instrument or of the Note conflicts with Applicable Law, the conflict will not affect other provisions of this Security Instrument or the Note which can operate, or be given effect, without the conflicting provision. This means that the Security Instrument or the Note will remain as if the conflicting provision did not exist.

As used in this Security Instrument: (a) words of the masculine gender mean and include corresponding words of the feminine and neuter genders; (b) words in the singular mean and include the plural, and words in the plural mean and include the singular; and (c) the word "may" gives sole discretion without any obligation to take any action.

**16. Borrower's Copy.** I will be given one copy of the Note and of this Security Instrument.

**17. Intentionally omitted**

**18. Note Holder's Right to Sell the Note or an Interest in the Note; Borrower's Right to Notice of Change of Loan Servicer; Lender's and Borrower's Right to Notice of Grievance.** The Note, or an interest in the Note, together with this Security Instrument, may be sold one or more times. I might not receive any prior notice of these sales.

The entity that collects the Periodic Payments and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law is called the "Loan Servicer." There may be a change of the Loan Servicer as a result of the sale of the Note. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. Applicable Law requires that I be given written notice of any change of the Loan Servicer. The notice will state the name and address of the new Loan Servicer, and also tell me the address to which I should make my payments. The notice also will contain any other information required by RESPA or Applicable Law. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to me will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither I nor Lender may commence, join, or be joined to any court action (as either an individual party or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other has not fulfilled any of its obligations under this Security Instrument, unless the other is notified (in the manner required under Section 14 of this Security Instrument) of the unfulfilled obligation and given a reasonable time period to take corrective action. If Applicable Law provides a time period which will elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to me under Section 24 and the notice of the demand for payment in full given to me under Section 24 will be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 19. All rights under this paragraph are subject

to Applicable Law.

19. **Borrower Not Third-Party Beneficiary to Contract of Insurance.** Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if I do not repay the Loan as agreed. I acknowledge and agree that I am not a third party beneficiary to the contract of insurance between the Secretary and Lender, nor am I entitled to enforce any agreement between Lender and the Secretary, unless explicitly authorized to do so by Applicable Law.

20. **Continuation of Borrower's Obligations to Maintain and Protect the Property.** The federal laws and the laws of New York State that relate to health, safety or environmental protection are called "Environmental Law." Environmental Law classifies certain substances as toxic or hazardous. There are other substances that are considered hazardous for purposes of this Section 21. These substances are gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. The substances defined as toxic or hazardous by Environmental Law and the substances considered hazardous for purposes of this Section 21 are called "Hazardous Substances." "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law. An "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

I will not do anything affecting the Property that violates Environmental Law, and I will not allow anyone else to do so. I will not cause or permit Hazardous Substances to be present on the Property. I will not use or store Hazardous Substances on the Property. I also will not dispose of Hazardous Substances on the Property, or release any Hazardous Substance on the Property, and I will not allow anyone else to do so. I also will not do, nor allow anyone else to do, anything affecting the Property that: (a) is in violation of any Environmental Law; (b) creates an Environmental Condition; or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The promises in this paragraph do not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized as appropriate for normal residential use and maintenance of the Property (including, but not limited to, Hazardous Substances in consumer products). I may use or store these small quantities on the Property. In addition, unless Environmental Law requires removal or other action, the buildings, the improvements and the fixtures on the Property are permitted to contain asbestos and asbestos-containing materials if the asbestos and asbestos-containing materials are undisturbed and "non-friable" (that is, not easily crumbled by hand pressure).

I will promptly give Lender written notice of: (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which I have actual knowledge; (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance; and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If I learn, or any governmental or regulatory authority, or any private party, notifies me that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, I will promptly take all necessary remedial actions in accordance with Environmental Law.

Nothing in this Security Instrument creates an obligation on Lender for an Environmental Cleanup.

21. **Grounds for Acceleration of Debt.**

(a) **Default.** Lender may, except as limited by regulations issued by the Secretary, in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if: I default by failing to pay in full any monthly payment required by this Security Instrument within the cure period set forth in the Note, a material adverse change happens with respect to the Property, the Makers of the Note or Guarantor of the Note obligation

(b) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(c) **Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

**NON-UNIFORM COVENANTS**

I also promise and agree with Lender as follows:

22. **Assignment of Rents.** I unconditionally assign and transfer to Lender all the rents and revenues of the Property. I authorize Lender or Lender's agents to collect the rents and revenues and hereby direct each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to me of my breach of any covenant or agreement in the Security Instrument, I shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and me. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to me: (a) all rents received by me shall be held by me as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument, (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

I have not executed any prior assignment of the rents and have not and will not perform any act that would prevent Lender from exercising its rights under this Section 23.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to me. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

23. **Lender's Rights If Borrower Fails to Keep Promises and Agreements.** Lender shall give notice to me prior to acceleration following my breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 17 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 5 days from the date the notice is given to me, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform me of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense I have to acceleration and foreclosure. If

the default is not cured on or before the date specified in the notice, Lender may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender will have the right to collect all costs allowed by law, including, but not limited to reasonable attorneys' fees and costs of title evidence.

If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under Section 22, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. 3751 et seq.) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this Section 24 or applicable law.

**24. Lender's Obligation to Discharge this Security Instrument.** When Lender has been paid all amounts due under the Note and under this Security Instrument, Lender will discharge this Security Instrument by delivering a certificate stating that this Security Instrument has been satisfied. I will pay all costs of recording the discharge in the proper official records. I agree to pay a fee for the discharge of this Security Instrument, if Lender so requires. Lender may require that I pay such a fee, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted by Applicable Law.

**25. Agreements about New York Lien Law.** I will receive all amounts lent to me by Lender subject to the trust fund provisions of Section 13 of the New York Lien Law. This means that I will: (a) hold all amounts which I receive and which I have a right to receive from Lender under the Note as a trust fund; and (b) use those amounts to pay for "Cost of improvement" (as defined in Section 13 of the New York Lien Law) before I use them for any other purpose. The fact that I am holding those amounts as a trust fund means that for any building or other improvement located on the Property I have a special responsibility under the law to use the amount in the manner described in this Section 24.

**26. Borrower's Statement Regarding the Property [check box as applicable].**

**20. Borrower's Statement Regarding the Property [check box as applicable].**

This Security Instrument covers real property improved, or to be improved, by a one or two family dwelling only.

This Security Instrument covers real property principally improved, or to be improved, by one or more structures containing, in the aggregate, not more than six residential dwelling units with each dwelling unit having its own separate cooking facilities.

This Security Instrument does not cover real property improved as described above.

**27. Event of Default.** Any event of default under any of the Loan Documents shall constitute an event of default for purposes of this Security Instrument.

**BY SIGNING BELOW, I accept and agree to the promises and agreements contained in pages 1 through 10 of this Security Instrument and in any Rider signed by me and recorded with it.**

Jesand, LLC, a Delaware limited liability co.

By: *Kathleen Manafort*  
Kathleen Manafort, Managing Member - Borrower

See attached  
Andrea Manafort, mortgagor

State of VIRGINIA )  
County of ALEXANDRIA ) 88:

On the 3th day of August in the year 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared Kathleen Manafort, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity (ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



JASPER S YOO  
NOTARY PUBLIC 7586760  
COMMONWEALTH OF VIRGINIA

MY COMMISSION EXPIRES AUGUST 31, 2018 commission expires: 08/31/2018

On the \_\_\_\_th day of August in the year 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared Andrea Manafort, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity (ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

**Notary Public**

**My commission expires:**

the default is not cured on or before the date specified in the notice, Lender may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender will have the right to collect all costs allowed by law, including, but not limited to reasonable attorneys' fees and costs of title evidence.

If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under Section 22, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. 3751 et seq.) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this Section 24 or applicable law.

24. **Lender's Obligation to Discharge this Security Instrument.** When Lender has been paid all amounts due under the Note and under this Security Instrument, Lender will discharge this Security Instrument by delivering a certificate stating that this Security Instrument has been satisfied. I will pay all costs of recording the discharge in the proper official records. I agree to pay a fee for the discharge of this Security Instrument, if Lender so requires. Lender may require that I pay such a fee, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted by Applicable Law.

25. **Agreements about New York Lien Law.** I will receive all amounts lent to me by Lender subject to the trust fund provisions of Section 13 of the New York Lien Law. This means that I will: (a) hold all amounts which I receive and which I have a right to receive from Lender under the Note as a trust fund; and (b) use those amounts to pay for "Cost of improvement" (as defined in Section 13 of the New York Lien Law) before I use them for any other purpose. The fact that I am holding those amounts as a trust fund means that for any building or other improvement located on the Property I have a special responsibility under the law to use the amount in the manner described in this Section 26.

26. **Borrower's Statement Regarding the Property [check box as applicable].**

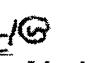
This Security Instrument covers real property improved, or to be improved, by a one or two family dwelling only.  
This Security Instrument covers real property principally improved, or to be improved, by one or more structures containing, in the aggregate, not more than six residential dwelling units with each dwelling unit having its own separate cooking facilities.

This Security Instrument does not cover real property improved as described above.

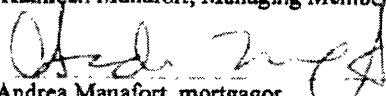
27. **Event of Default.** Any event of default under any of the Loan Documents shall constitute an event of default for purposes of this Security Instrument.

BY SIGNING BELOW, I accept and agree to the promises and agreements contained in pages 1 through 10 of this Security Instrument and in any Rider signed by me and recorded with it.

Jesand, LLC, a Delaware limited liability co

By: Kathleen Manafort 

Kathleen Manafort, Managing Member - Borrower

  
Andrea Manafort, mortgagor

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )  
                    ) ss:  
                    )

On the \_\_\_\_th day of August in the year 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared Kathleen Manafort, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity (ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

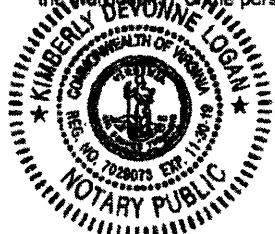
My commission expires: \_\_\_\_\_

State of VA )  
County of Arlington )  
                    ) ss.

On the 1th day of August in the year 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared Andrea Manafort, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity (ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

My commission expires: NOV 30, 2019



CONDOMINIUM RIDER

*7/14*

THIS CONDOMINIUM RIDER is made this 27<sup>th</sup> day of August, 2017, and is incorporated into and shall be deemed to amend and supplement the Mortgage (the "Security Instrument") of the same date given by the undersigned Jesand, LLC and Andrea Manafort (collectively the "Borrower") to secure the Note of Jesand, LLC to Woodlawn, LLC., 123 W. Nye Lane, Ste 129, Carson City, Nevada 89706 (the Lender") of the same date and covering the Property described in the Security Instrument and located at: 123 Baxter Street, Unit 5D, New York, New York. The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

Baxter Street Condominium and 123 Baxter Street  
(the "Condominium Project").

If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

CONDOMINIUM COVENANTS.

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

- A. Condominium Obligations. Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.
- B. Property Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, from which Lender requires insurance, then: (i) Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy. What Lender requires as a condition of this waiver can change during the term of the loan. Borrower shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy. In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.
- C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.
- D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to

Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Section 11.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Condominium Rider.

  
(Seal)  
Kathleen B. Manafort, Managing Member, Jesand, LLC – Borrower

See attached<sup>®</sup>  
(Seal)  
Andrea Manafort

Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

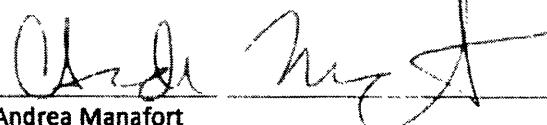
Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Section 11.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

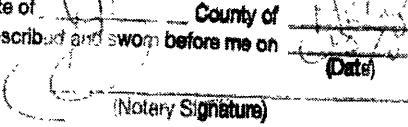
F. Remedies. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Condominium Rider.

See attached (Seal)  
Kathleen B. Manafort, Managing Member, Jesand, LLC – Borrower

  
Andrea Manafort



State of \_\_\_\_\_ County of \_\_\_\_\_  
Subscribed and sworn before me on \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
(Date)  
  
(Notary Signature)

***AmTrust Title Insurance Company***

Title Number: FN-13390-NY

Page 1

**SCHEDULE A DESCRIPTION**

The Condominium Unit known as Unit No. 5D (hereinafter called the "Unit") in the Building known collectively as Baxter Street Condominium and 123 Baxter Street, Borough of Manhattan, City, County and State of New York, (the "Building") designated and described in the Declaration establishing a plan for condominium ownership of the Building and the land upon which the Building is situated (said Building and land referred to collectively herein as the "Property" or the "Condominium"), dated September 21, 2007, under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), recorded in the Office of the Register of the City of New York, in the County of New York, on the 28th day of September, 2007, with a CRFN 2007000498520 (the "Declaration"). The Unit is also designated as Tax Lot No. 1122 in Block 206 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Buildings, certified by Hal Dorfman Architects, licensed professional architects, on September 24, 2007, filed in the Register's Office of New York County on September 28, 2007.

Together with a 4.65% interest in the Common Elements (as defined in said Declaration).

The land upon which the Building containing the Unit is situated is more particularly bounded and described as follows:

ALL that certain plot, piece or parcel of land, situate, lying and being in the in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point formed by the intersection of the southerly side of Hester Street and the easterly side of Baxter Street;

THENCE southerly along said easterly side of Baxter Street at an interior angle of 90 degrees 59 minutes 40 seconds a distance of 125 feet 4½ inches (125 feet 4 inches - Tax Map);

THENCE easterly from said point on the easterly side of Baxter Street at an interior angle of 88 degrees 53 minutes 20 seconds a distance of 100 feet 4½ inches to a point (100 feet 8 inches - Tax Map);

THENCE northerly from said point at an interior angle of 91 degrees 00 minutes 10 seconds a distance of 25 feet 2 inches (25 feet 0 inches - Tax Map);

THENCE westerly at an interior angle of 89 degrees 06 minutes 20 seconds a distance of 25 feet 4 inches (25 feet 0 inches - Tax Map);

THENCE northerly at an interior angle of 91 degrees 02 minutes 30 seconds a distance of 100 feet 0 inches to the southerly side of Hester Street;

THENCE westerly along the southerly side of Hester Street at an interior angle of 88 degrees 57 minutes 30 seconds a distance of 75 feet 1 inch (75 feet 0 inches - Tax Map) to the easterly side of Baxter Street, the point or place of BEGINNING.

***AmTrust Title Insurance Company***

Title Number: FN-13390-NY  
Page 2

**PARCEL A**

ALL that certain plot, piece or parcel of land lying and being in the Borough of Manhattan, City, County and State of New York, being distinguished on a Map of Bayard East Farm filed in the Office of the Secretary of State by the Lot number 494 and by the same number on a Map of Lands of the City of New York, belonging to the Estate of Stephen Van Rensselaer, deceased, filed in the Office of the Register of the County of New York, which said plot is bounded and described as follows:

BEGINNING at a point on the easterly side of Baxter Street, distant 100 feet southerly from Hester Street;

RUNNING THENCE easterly 100 feet 8 inches;

THENCE southerly in the rear 25 feet;

THENCE westerly 100 feet 8 inches to Baxter Street;

THENCE northerly along the easterly side of Baxter Street 25 feet 2 inches to the point or place of BEGINNING.

**PARCEL B**

ALL the certain plot, piece or parcel of land, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of Baxter Street and the southerly side of Hester Street;

THENCE southerly along the easterly side of Baxter Street, one hundred feet;

THENCE easterly parallel, or nearly so, with the southerly side of Hester Street, 75 feet;

THENCE northerly parallel, or nearly so, with Baxter Street, one hundred feet more or less to the southerly side of Hester Street;

THENCE westerly along the same 75 feet 1 inch, more or less, to the point or place of BEGINNING.

**EXHIBIT "9"**

LOAN POLICY OF TITLE INSURANCE

Issued by



Policy Number:  
M-NY0817-7603171173

Agent File Number:  
FN-13390-NY

AmTrust Title Insurance Company  
An AmTrust Financial Company

COVERAGE STATEMENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 17 of the Conditions.

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, AMTRUST TITLE INSURANCE COMPANY, a New York corporation (the "Company") insures as of Date of Policy and, to the extent stated in Covered Risks 11, 13, and 14, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
  - (a) A defect in the Title caused by
    - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
    - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
    - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
    - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
    - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
    - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
    - (vii) a defective judicial or administrative proceeding.
  - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
  - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.

ALTA Loan Policy



By:

President

Attest:

Secretary

***AmTrust Title Insurance Company***

***AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (6-17-2006)  
WITH NEW YORK COVERAGE ENDORSEMENT APPENDED (A.L.T.A.)***

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**SCHEDULE A**

**Policy No. M-NY0817-7603171173**

<b>Title Number</b>	<b>Effective Date</b>	<b>Amount of Insurance</b>
FN-13390-NY	August 11, 2017	\$1,025,000.00

**1. Name of Insured:** Woodlawn, LLC and/or his successors or assigns as their interest may appear

**2. The fee simple to said land is at the date hereof vested in:**

Jesand, LLC and Andrea L. Manafort

**3. The mortgage or deed of trust and assignments, if any, covered by this Policy are described as follows:**

Mortgage made by Jesand, LLC and Andrea L. Manafort to Woodlawn, LLC to secure the principal amount of \$1,025,000.00 dated 8/7/2017, and to be duly recorded ibn the Office of the City Register of the City of New York.

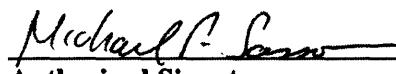
**4. The land referred to in this Policy is described herein on Schedule A Description of Premises.  
Known as tax map designation: Block 206 Lot 1122.**

**For Information Only:**

Premises: 123 Baxter Street, Unit 5D, New York, NY  
Baxter Street Condominium

County: New York  
City: New York

**AmTrust Title Insurance Company  
By: First Nationwide Title Agency LLC, its Agent**

  
**Michael P. Larson**  
**Authorized Signatory**

***AmTrust Title Insurance Company***

**SCHEDULE A  
DESCRIPTION OF PREMISES**

**Title No.** FN-13390-NY  
**Policy No.** M-NY0817-7603171173

The Condominium Unit known as Unit No. 5D (hereinafter called the "Unit") in the Building known collectively as Baxter Street Condominium and 123 Baxter Street, Borough of Manhattan, City, County and State of New York, (the "Building") designated and described in the Declaration establishing a plan for condominium ownership of the Building and the land upon which the Building is situated (said Building and land referred to collectively herein as the "Property" or the "Condominium"), dated September 21, 2007, under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), recorded in the Office of the Register of the City of New York, in the County of New York, on the 28th day of September, 2007, with a CRFN 2007000498520 (the "Declaration"). The Unit is also designated as Tax Lot No. 1122 in Block 206 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Buildings, certified by Hal Dorfman Architects, licensed professional architects, on September 24, 2007, filed in the Register's Office of New York County on September 28, 2007.

Together with a 4.65% interest in the Common Elements (as defined in said Declaration).

The land upon which the Building containing the Unit is situated is more particularly bounded and described as follows:

ALL that certain plot, piece or parcel of land, situate, lying and being in the in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point formed by the intersection of the southerly side of Hester Street and the easterly side of Baxter Street;

THENCE southerly along said easterly side of Baxter Street at an interior angle of 90 degrees 59 minutes 40 seconds a distance of 125 feet 4½ inches (125 feet 4 inches - Tax Map);

THENCE easterly from said point on the easterly side of Baxter Street at an interior angle of 88 degrees 53 minutes 20 seconds a distance of 100 feet 4½ inches to a point (100 feet 8 inches - Tax Map);

THENCE northerly from said point at an interior angle of 91 degrees 00 minutes 10 seconds a distance of 25 feet 2 inches (25 feet 0 inches - Tax Map);

THENCE westerly at an interior angle of 89 degrees 06 minutes 20 seconds a distance of 25 feet 4 inches (25 feet 0 inches - Tax Map);

THENCE northerly at an interior angle of 91 degrees 02 minutes 30 seconds a distance of 100 feet 0 inches to the southerly side of Hester Street;

THENCE westerly along the southerly side of Hester Street at an interior angle of 88 degrees 57 minutes 30 seconds a distance of 75 feet 1 inch (75 feet 0 inches - Tax Map) to the easterly side of Baxter Street, the point or place of BEGINNING.

***AmTrust Title Insurance Company***

**PARCEL A**

ALL that certain plot, piece or parcel of land lying and being in the Borough of Manhattan, City, County and State of New York, being distinguished on a Map of Bayard East Farm filed in the Office of the Secretary of State by the Lot number 494 and by the same number on a Map of Lands of the City of New York, belonging to the Estate of Stephen Van Renselaer, deceased, filed in the Office of the Register of the County of New York, which said plot is bounded and described as follows:

BEGINNING at a point on the easterly side of Baxter Street, distant 100 feet southerly from Hester Street;

RUNNING THENCE easterly 100 feet 8 inches;

THENCE southerly in the rear 25 feet;

THENCE westerly 100 feet 8 inches to Baxter Street;

THENCE northerly along the easterly side of Baxter Street 25 feet 2 inches to the point or place of BEGINNING.

**PARCEL B**

ALL the certain plot, piece or parcel of land, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of Baxter Street and the southerly side of Hester Street;

THENCE southerly along the easterly side of Baxter Street, one hundred feet;

THENCE easterly parallel, or nearly so, with the southerly side of Hester Street, 75 feet;

THENCE northerly parallel, or nearly so, with Baxter Street, one hundred feet more or less to the southerly side of Hester Street;

THENCE westerly along the same 75 feet 1 inch, more or less, to the point or place of BEGINNING.

***AmTrust Title Insurance Company***

**SCHEDULE B – Part I**

**Policy No. M-NY0817-7603171173  
Title No. FN-13390-NY**

Showing defects, liens, encumbrances and other matters against which the Company does not, by this Policy, insure:

1. Taxes, a lien not yet due and payable.
2. AS TO THE UNIT:  
With respect to Condominium Unit No. 5D, the title to which is to be insured herein, policy excepts any state of facts which an accurate survey would disclose. Policy insures, however, that any encroachment of the Unit onto other Units or onto any part of the common elements may remain undisturbed as long as the Unit insured hereunder exists.
3. Covenants and Restrictions recited in deed recorded on 9/27/2007 in CRFN 2007000494960.
4. Covenants and Restrictions recited in deed recorded on 11/15/2007 in CRFN 2007000570480.
5. Terms, restrictions, conditions, and easements set forth in the Declaration of Condominium and By - Laws of the Baxter Street Condominium dated 9/21/2007, recorded on 9/28/2007 in (as) CRFN 2007000498520; but the Policy insures against loss or damage occasioned by the premises not being a part of a Condominium validly created pursuant to Article 9-B of the Real Property Law, as amended.

*AmTrust Title Insurance Company*

**SCHEDULE B – PART II**

**Policy No. M-NY0817-7603171173**

**Title No. FN-13390-NY**

In addition to the matters set forth in Schedule B, the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matters, if any be shown, but the Company insures that these matters are subordinate to the lien of charge of the insured mortgage upon the estate or interest:

1. NONE.

***AmTrust Title Insurance Company***

***STANDARD NEW YORK ENDORSEMENT  
(Loan Policy)***

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**Title No FN-13390-NY**

**Attached to and made a part of Policy No. M-NY0817-7603171173**

1. Covered Risk Number 11 is deleted and the following is substituted:

11. The lack of priority of the lien of the Insured Mortgage upon the Title

- (a) as security for each and every advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien arising under Article 2 of the New York Lien Law for services, labor, or material arising from construction of an improvement or work related to the Land when the improvement or work is either
  - (i) contracted for or commenced on or before Date of Policy; or
  - (ii) contracted for, commenced, or continued after Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on Date of Policy to advance; and
- (b) over the lien of any assessments for street improvements under construction or completed at Date of Policy.

2. Exclusion Number 7 is deleted, and the following is substituted:

7. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

3. Exclusion From Coverage is amended by adding a new Exclusion Number 8:

8. Any consumer protection law including, without limitation, New York Banking Law Sections 6-1 ("High-Cost Home Loans") and 6-m ("Subprime Home Loans"), relating to a mortgage on Land improved or to be improved by a structure or structures intended principally for occupancy by one-to four families.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

IN WITNESS WHEREOF, the Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers.

**DATED: 8/11/2017**

**AmTrust Title Insurance Company**

**By: First Nationwide Title Agency LLC, its Agent**

By Michael P. Sasse  
Authorized Officer or Agent

***AmTrust Title Insurance Company***

**ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT  
(NEW YORK CITY ONLY)**

Title No. FN-13390-NY

Attached to and made a part of Policy No. M-NY0817-7603171173

The Policy insures the Insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

- (a) any environmental protection lien which, at Date of Policy, is recorded in those records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B, or
- (b) any environmental protection lien provided for by any state statute, New York City Code and/or Ordinance in effect at Date of Policy, except environmental protection liens provided for by the following statutes:
  - (1) Administrative Code, City of New York, Title 17 (Health) Section 17-151.

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any other endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any other endorsements, nor does it extend the effective date of the Policy and any other endorsements, nor does it increase the amount of insurance.

**IN WITNESS WHEREOF**, the Company has caused this Endorsement to be signed by an authorized officer of the Company on its date of issue set forth below.

**DATED: 8/11/2017**

**AmTrust Title Insurance Company**

**By: First Nationwide Title Agency LLC, its Agent**

By Michael P. Sano  
Authorized Signatory

***AmTrust Title Insurance Company***

**WAIVER OF ARBITRATION ENDORSEMENT  
(OWNER'S OR LOAN POLICY)**

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Title No. FN-13390-NY

Attached to and made a part of Policy No. M-NY0817-7603171173

The policy is amended by deleting therefrom:

- (A) If this endorsement is attached to an ALTA Loan Policy: Condition Section 13.
- (B) If this endorsement is attached to an ALTA Owner's Policy: Condition Section 14.
- (C) If this endorsement is attached to a TIRSA Owner's Extended Protection Policy: Condition 12.

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any other endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any other endorsements, nor does it extend the effective date of the Policy and any other endorsements, nor does it increase the face amount thereof.

**IN WITNESS WHEREOF**, the Company has caused this Endorsement to be signed by an authorized officer of the Company on its date of issue set forth below.

**DATED: 8/11/2017**

**AmTrust Title Insurance Company**

**By: First Nationwide Title Agency LLC, its Agent**

By Michael P. Sasso  
Authorized Signatory

**AmTrust Title Insurance Company**

**CONDOMINIUM ENDORSEMENT**

**Title No. FN-13390-NY**

Attached to and made a part of Policy No. M-NY0817-7603171173

The Company insures the insured against loss or damage sustained by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State of New York.
2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.
3. Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are created by the condominium documents, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the Public Records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.
4. The priority of any lien for charges and assessments at Date of Policy provided for in the condominium statutes and condominium documents over the lien of any insured first mortgage identified in Schedule A.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements which exist at Date of Policy because of any present encroachments or because of any future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the amount of insurance.

**IN WITNESS WHEREOF**, the Company has caused this Endorsement to be signed by an authorized officer of the Company on its date of issue set forth below.

**DATED: 8/11/2017**

**AmTrust Title Insurance Company**

**By: First Nationwide Title Agency LLC, its Agent**

By Michael F. Sauer  
Authorized Signatory

## ALTA Policy - Loan

3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (a) the occupancy, use, or enjoyment of the Land;
  - (b) the character, dimensions, or location of any improvement erected on the Land;
  - (c) the subdivision of land; or
  - (d) environmental protection
 if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. This Covered Risk includes but is not limited to insurance against loss from any of the following impairing the lien of the Insured Mortgage
  - (a) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
  - (b) failure of any person or Entity to have authorized a transfer or conveyance;
  - (c) the Insured Mortgage not being properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
  - (d) failure to perform those acts necessary to create a document by electronic means authorized by law;
  - (e) a document executed under a falsified, expired, or otherwise invalid power of attorney;
  - (f) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
  - (g) a defective judicial or administrative proceeding.
10. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance.
11. The lack of priority of the lien of the Insured Mortgage upon the Title
  - (a) as security for each and every advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for services, labor, or material arising from construction of an improvement or work related to the Land when the improvement or work is either
    - (i) contracted for or commenced on or before Date of Policy; or
    - (ii) contracted for, commenced, or continued after Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on Date of Policy to advance; and
  - (b) over the lien of any assessments for street improvements under construction or completed at Date of Policy.
12. The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.

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ALTA Policy - Loan

13. The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title
  - (a) resulting from the avoidance in whole or in part, or from a court order providing an alternative remedy, of any transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
  - (b) because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
    - (i) to be timely, or
    - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

14. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the Insured Mortgage in the Public Records.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.  
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection

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**ALTA Policy - Loan**

or truth-in-lending law.

6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is

- (a) a fraudulent conveyance or fraudulent transfer, or
- (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

**CONDITIONS**

**1. DEFINITION OF TERMS**

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b) or decreased by Section 10 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Indebtedness": The obligation secured by the Insured Mortgage including one evidenced by electronic means authorized by law, and if that obligation is the payment of a debt, the Indebtedness is the sum of
  - (i) the amount of the principal disbursed as of Date of Policy;
  - (ii) the amount of the principal disbursed subsequent to Date of Policy;
  - (iii) the construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the Land or related to the Land that the Insured was and continued to be obligated to advance at Date of Policy and at the date of the advance;
  - (iv) interest on the loan;
  - (v) the prepayment premiums, exit fees, and other similar fees or penalties allowed by law;
  - (vi) the expenses of foreclosure and any other costs of enforcement;
  - (vii) the amounts advanced to assure compliance with laws or to protect the lien or the priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title;
  - (viii) the amounts to pay taxes and insurance; and
  - (ix) the reasonable amounts expended to prevent deterioration of improvements;but the Indebtedness is reduced by the total of all payments and by any amount forgiven by an Insured.
- (e) "Insured": The Insured named in Schedule A.
  - (i) The term "Insured" also includes
    - (A) the owner of the Indebtedness and each successor in ownership of the Indebtedness, whether the owner or successor owns the Indebtedness for its own account or as a trustee or other fiduciary, except a successor who is an obligor under the provisions of Section 12(c) of these Conditions;
    - (B) the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as these terms are defined by applicable electronic transactions law;



## ALTA Policy - Loan

- (C) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
- (D) successors to an Insured by its conversion to another kind of Entity;
- (E) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
  - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
  - (2) if the grantee wholly owns the named Insured, or
  - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity;
- (F) any government agency or instrumentality that is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness secured by the Insured Mortgage, or any part of it, whether named as an Insured or not;
- (ii) With regard to (A), (B), (C), (D), and (E) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, or other matter insured against by this policy.
- (f) "Insured Claimant": An Insured claiming loss or damage.
- (g) "Insured Mortgage": The Mortgage described in paragraph 4 of Schedule A.
- (h) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (i) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- (j) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (k) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
- (l) "Title": The estate or interest described in Schedule A.
- (m) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title or a prospective purchaser of the Insured Mortgage to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

**2. CONTINUATION OF INSURANCE**

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured after acquisition of the Title by an Insured or after conveyance by an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the

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Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

**3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT**

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured of any claim of title or interest that is adverse to the Title or the lien of the Insured Mortgage, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title or the lien of the Insured Mortgage, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

**4. PROOF OF LOSS**

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

**5. DEFENSE AND PROSECUTION OF ACTIONS**

- (a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.
- (b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.
- (c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

**6. DUTY OF INSURED CLAIMANT TO COOPERATE**

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.

Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title, the lien of the Insured Mortgage, or any other

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matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

**7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY**

In case of a claim under this policy, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

- (i) To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
- (ii) To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay. When the Company purchases the Indebtedness, the Insured shall transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either of the options provided for in subsections (a)(i) or (ii), all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in those subsections, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

- (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

- (i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
- (ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

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## 8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the least of
  - (i) the Amount of Insurance,
  - (ii) the Indebtedness,
  - (iii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy, or
  - (iv) if a government agency or instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage in satisfaction of its insurance contract or guaranty.
- (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured,
  - (i) the Amount of Insurance shall be increased by 10%, and
  - (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
- (c) In the event the Insured has acquired the Title in the manner described in Section 2 of these Conditions or has conveyed the Title, then the extent of liability of the Company shall continue as set forth in Section 8(a) of these Conditions.
- (d) In addition to the extent of liability under (a), (b), and (c), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

## 9. LIMITATION OF LIABILITY

- (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, or establishes the lien of the Insured Mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title or to the lien of the Insured Mortgage, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

## 10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

- (a) All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment. However, any payments made prior to the acquisition of Title as provided in Section 2 of these Conditions shall not reduce the Amount of Insurance afforded under this policy except to the extent that the payments reduce the Indebtedness.
- (b) The voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company except as provided in Section 2 of these Conditions.

## 11. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these

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Conditions, the payment shall be made within 30 days.

## 12. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

### (a) The Company's Right to Recover

Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title or Insured Mortgage and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

### (b) The Insured's Rights and Limitations

- (i) The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if it does not affect the enforceability or priority of the lien of the Insured Mortgage.
- (ii) If the Insured exercises a right provided in (b)(i), but has Knowledge of any claim adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the Company shall be required to pay only that part of any losses insured against by this policy that shall exceed the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's right of subrogation.

### (c) The Company's Rights Against Noninsured Obligors

The Company's right of subrogation includes the Insured's rights against non-insured obligors including the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

The Company's right of subrogation shall not be avoided by acquisition of the Insured Mortgage by an obligor (except an obligor described in Section 1(e)(i)(F) of these Conditions) who acquires the Insured Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond, and the obligor will not be an Insured under this policy.

## 13. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

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**14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT**

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or lien of the Insured Mortgage or by any action asserting such claim shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

**15. SEVERABILITY**

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

**16. CHOICE OF LAW; FORUM**

- (a) **Choice of Law:** The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title or the lien of the Insured Mortgage that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

- (b) **Choice of Forum:** Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

**17. NOTICES, WHERE SENT**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at:

AMTRUST TITLE INSURANCE COMPANY

59 Maiden Lane—43rd Floor

New York, NY 10038

**EXHIBIT "10"**



FIRST NATIONWIDE TITLE  
AGENCY, LLC

220 EAST 42ND STREET, SUITE 3105, NEW YORK, NY 10017  
TELEPHONE: 212 499.0100 FAX: 212 499.0600

August 10, 2017

Keith W. Berglund, Esq.  
The Berglund Group  
149 S. Barrington Avenue  
Los Angeles, CA 90049

Re: First Nationwide Title Agency LLC  
Title Report No. FN-13390-NY  
Property Address: 123 Baxter Street, Unit 5D  
New York, NY

Dear Mr. Berglund:

Pursuant to your request, this company agrees to act as escrow agent for Woodlawn, LLC ("Lender") at the upcoming closing of the above-referenced property. First Nationwide Title Agency LLC ("First Nationwide") will hold the proceeds of that certain loan made by Lender to Jesand, LLC and Andrea Manafort ("Borrower") (For purposes of this transaction, Andrea Manafort shall also be termed "Borrower" although she shall not be indebted on the Note and executed the Mortgage in order to provide security and collateral for the loan), in the principal amount of \$1,025,000.00 ("Loan").

Lender has wired to First Nationwide the sum of \$512,500.00 which represents part of the net proceeds of the Loan ("Net Proceeds").

First Nationwide will not release any part of the Net Proceeds received from Lender until it has received written confirmation from you by e-mail that the you or Lender have reviewed the loan documents executed by the Borrower in connection with the Loan and are satisfied therewith.

Upon authorizing the release of the Net Proceeds, First Nationwide will issue its Loan Policy of Title Insurance in accordance with the terms of the policy and in the same form as annexed hereto, with the policy to be dated as of the date of funding.

It is agreed that a facsimile copy of this letter shall have the same force and effect as though it was an original.

Please call me if you have any questions or comments.

Very truly yours,  
First Nationwide Title Agency, LLC

By: Michael P. Sasso  
Michael P. Sasso, Counsel

**EXHIBIT "11"**



50 Charles Lindbergh Boulevard  
Suite 600  
Uniondale, NY 11553  
P: (212) 499-0100 / F: (516) 282-0585

September 19, 2017

Woodlawn, LLC  
123 W. NYE Lane, Suite 129  
Carson City, NV 89706

RE: Title No. : FN-13390-NY

Premises : 123 Baxter Street, New York, NY      Baxter Street Condominium 5D  
Owner(s) : Andrea L. Manafort Jesand, LLC  
Lender : Woodlawn, LLC and/or his successors or assigns

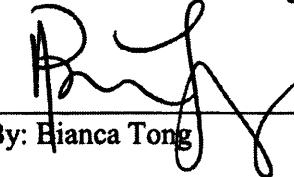
Dear Sir or Madam:

Enclosed find the following items with reference to the above entitled matter:

- Original Mortgage recorded in CRFN 2017000304943

If you have any questions, or if we can be of any further assistance, please do not hesitate to contact the undersigned. Thank you.

Very truly yours,  
First Nationwide Title Agency LLC



By: Bianca Tong

A handwritten signature in black ink, appearing to read 'Bianca Tong', is placed over a horizontal line. Below the line, the name 'By: Bianca Tong' is printed in a smaller font.

Encl.



August 16, 2017

FIRST NATIONWIDE TITLE AGENCY LLC  
HOLD FOR DENNISE A. TO PICK UP - FN-13390-NY  
50 CHARLES LINDBERGH BLVD - SUITE 600  
UNIONDALE, NY 11553

**RE: Submitted Transaction Successfully Recorded**

Dear FIRST NATIONWIDE TITLE AGENCY LLC:

Document Identification Number 2017081400723001 which was submitted and intaken for Recording on 8/15/2017 2:23:43 PM, was successfully recorded on 8/16/2017 at 10:34 AM.

Below summarizes the status of the document(s).

**Recording & Endorsement Cover Page(s) attached**

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2017081400723001

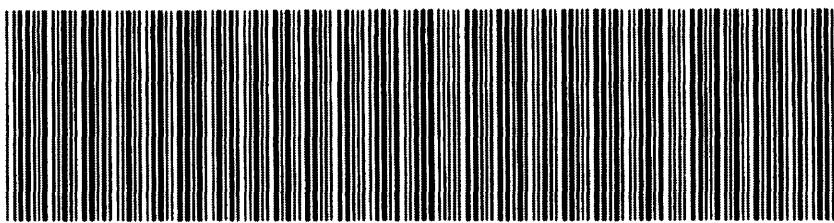
If you have questions or require further information, please send an email to [acrishelp@finance.nyc.gov](mailto:acrishelp@finance.nyc.gov) and someone will get back to you.

Thank you.

City Register

**NYC DEPARTMENT OF FINANCE  
OFFICE OF THE CITY REGISTER**

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument. The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.



2017081400723001001E024B

**RECORDING AND ENDORSEMENT COVER PAGE****PAGE 1 OF 16****Document ID:** 2017081400723001**Document Date:** 08-07-2017**Preparation Date:** 08-14-2017**Document Type:** MORTGAGE**Document Page Count:** 14**PRESENTER:**

FIRST NATIONWIDE TITLE AGENCY LLC  
HOLD FOR DENNISE A. TO PICK UP - FN-13390-NY  
50 CHARLES LINDBERGII BLVD - SUITE 600  
UNIONDALE, NY 11553  
212-499-0100  
RECORDING@FIRSTNATIONWIDETITLE.COM

**RETURN TO:**

FIRST NATIONWIDE TITLE AGENCY LLC  
HOLD FOR DENNISE A. TO PICK UP - FN-13390-NY  
50 CHARLES LINDBERGII BLVD - SUITE 600  
UNIONDALE, NY 11553  
212-499-0100  
RECORDING@FIRSTNATIONWIDETITLE.COM

<b>Borough</b>	<b>Block</b>	<b>Lot</b>	<b>Unit</b>	<b>PROPERTY DATA</b> <b>Address</b>
MANHATTAN	206	1122	Entire Lot	5D 123 BAXTER STREET
<b>Property Type:</b> SINGLE RESIDENTIAL CONDO UNIT				

**CROSS REFERENCE DATA**

CRFN \_\_\_\_\_ or DocumentID \_\_\_\_\_ or Year \_\_\_\_\_ Reel \_\_\_\_\_ Page \_\_\_\_\_ or File Number \_\_\_\_\_

**PARTIES**

**MORTGAGOR/BORROWER:**  
JESAND, LLC  
C/O BRUCE E. BALDINGER, ESQ., 365 SOUTH STREET  
MORRISTOWN, NJ 07960

**MORTGAGEE/LENDER:**  
WOODLAWN, LLC  
123 W. NYE LANE, STE 129  
CARSON CITY, NV 89706

Additional Parties Listed on Continuation Page

**FEES AND TAXES****Mortgage :**

Mortgage Amount:	\$ 1,025,000.00
Taxable Mortgage Amount:	\$ 1,025,000.00
Exemption:	
TAXES: County (Basic):	\$ 5,125.00
City (Additional):	\$ 11,531.25
Spec (Additional):	\$ 0.00
TASF:	\$ 2,562.50
MTA:	\$ 3,045.00
NYCTA:	\$ 0.00
Additional MRT:	\$ 0.00
<b>TOTAL:</b>	<b>\$ 22,263.75</b>
Recording Fee:	\$ 107.00
Affidavit Fee:	\$ 0.00

**Filing Fee:**

NYC Real Property Transfer Tax:	\$ 0.00
NYS Real Estate Transfer Tax:	\$ 0.00

**RECORDED OR FILED IN THE OFFICE  
OF THE CITY REGISTER OF THE****CITY OF NEW YORK**

Recorded/Filed 08-16-2017 10:34  
City Register File No.(CRFN):  
2017000304943


*Gratia McMillan*  
*City Register Official Signature*

**EXHIBIT "12"**



BRUCE E. BALDINGER  
ADMITTED NJ, NY, FL  
BBALDINGER@BALDINGERLAW.COM  
WWW.BALDINGERLAW.COM

365 SOUTH STREET  
MORRISTOWN, NJ 07960  
TELEPHONE 908-218-0060  
FACSIMILE 973-270-0934

Woodlawn, LLC  
123 W. Nye Lane, Ste 129  
Carson City, Nevada 89706

Re: *Woodlawn Loan to Jesand, LLC*  
*123 Baxter Street, Unit 5D, New York*

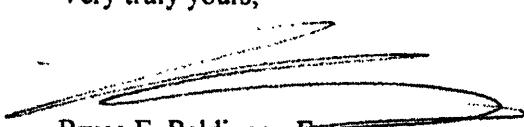
February 12, 2018

Dear Sir/Madam:

Please consider this letter Borrower's formal request for a loan extension.

I look forward to working with you on any documents which you may require.

Very truly yours,



Bruce E. Baldinger, Esq.

cc: Client

**EXHIBIT "13"**

**The Berglund Group**  
149 S. Barrington Ave., Suite 181  
Los Angeles, CA 90049  
Phone 310-567-6070 Fax 310-564-0327  
Keith@Berglundgroup.com

June 19, 2018

VIA EMAIL: Bruce@baldingerlaw.com

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
AND FIRST CLASS MAIL**

Jesand, LLC. ("Jesand")  


ATTN: Kathleen B. Manafort

Re: DEMAND NOTICE

Dear Ms. Manafort:

Please be advised that I have been hired by Woodlawn, LLC. ("Lender") in respect of the referenced loan and matters set forth herein. Reference is made to that certain (i) Secured Promissory Note dated as of August 7, 2017, as amended (the "Secured Note"), by and between Lender and Jesand ("Borrower"), (ii) Mortgage dated August 7, 2017 by and between Lender and Borrower with respect to that certain property with an address at : 123 Baxter Street, Unit 5D, New York, New York ("Mortgage") and (ii) that certain Guaranty dated August 8, 2017, related to the secured Note given to Lender by Paul Manafort ("Guaranty") (collectively, the "Loan Documents"). Capitalized terms used herein unless otherwise defined shall have the same meanings as ascribed in the respective Loan Documents.

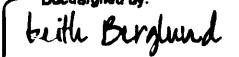
As you are aware, the Secured Note initially matured as of December 31, 2017 and the maturity date was extended to March 31, 2018. As you are further aware, interest payments due under the Secured Note have been sporadic and the parties were unable to agree on a further extension of the Secured Note post March 31, 2018. Pursuant to the terms of the Loan Documents, defaults have occurred, including, without limitation, failure to make interest and principal payments when due. To date, Lender has exercised a forbearance from further enforcement actions to which it is entitled based upon, among other representations, promised refinancing and full payout to Lender of the amounts due under the Loan Documents. Unfortunately, Borrower has failed to comply with the undertakings referenced in the immediately preceding sentence.

Consequently, in accordance with the terms of, among other documents, the Loan Documents, this letter constitutes formal continued Notice of Default and Intent to Act. Pursuant to the terms of the Secured Note, Mortgage, Guaranty and related loan agreements, if Borrower is unable to provide Lender with adequate assurances that the Loan Agreement will be satisfied in full on or before June 29, 2018, Lender may, among other remedies, commence further enforcement proceedings in respect of the Loan Documents and related agreements together with exercising all other remedies that may be available in respect of an Event of Default and/or matured loan. As of June 19, 2018, the following principal amount was due Lender \$1,025,000.00, together with interest of \$18,337.39, for a total past due balance of \$1,043,337.39 ("Borrower Obligations"). Interest continues to accrue at the per diem rate set forth in the Secured Note together with other costs and fees and late charges associated with an Event of Default, including, without limitation legal fees incurred with respect to enforcement activities.

Unless satisfactory arrangements are made to effect repayment of the Borrower Obligations on or before the time period specified herein, Lender reserves the right to take any and all actions available under applicable law and/or equity including, without limitation, institution of legal proceedings deemed necessary to enforce Lender's rights. In writing this letter, Lender specifically reserves any and all rights it may have under the Loan Documents and related agreements (including the Guaranty) and applicable law and/or equity. Nothing herein contained (or omitted) shall constitute an admission (or waiver) of any facts or rights of Lender. Should you have any questions in respect of the above, feel free to contact the undersigned at the referenced coordinates.

PLEASE BE GOVERNED ACCORDINGLY,

Sincerely,  
DocuSigned by:

  
Keith W. Berglund  
4F2C3B25AE0E549F

Cc: Andrea Manafort

[REDACTED]  
[REDACTED]

Paul Manafort

[REDACTED]  
[REDACTED]

Bruce Baldinger, Esq.

[REDACTED]  
[REDACTED]

**PROOF OF SERVICE**

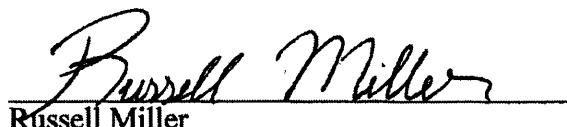
I am a citizen of the United States, employed in the City of Los Angeles and County of Los Angeles, California. My business address is 149 S. Barrington Ave. Suite 181 Los Angeles, CA 90012. I am over the age of 18 years and not a party to the within action. On today's date, I caused to be served the following:

**1) PETITION OF WOODLAWN, LLC FOR HEARING AND DETERMINATION  
THAT PETITIONER'S INTERST IN PROPERTY SHOULD NOT BE FORFEITED  
PURSUANT TO 21 USC § 853 (N)**

- I enclosed the above-named documents in a sealed envelope or package addressed to the persons at the addresses set forth below and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with the firm's practice of collection and processing correspondence for mailing in the ordinary place of business. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope or package with postage fully prepaid.
- I caused the above DOCUMENTS to be delivered via email to the addressee(s) set forth below.
- I caused the above DOCUMENTS to be served on the parties in this action by causing them to be delivered via Federal Express Standard Overnight Shipping to the addressee(s) set forth below.
- I caused the above DOCUMENTS to be served on the parties in this action by causing them to be delivered via facsimile.
- By personally delivering, or causing to be delivered, a true copy thereof to the persons at the addresses set forth below.

Clerk United District Court for the District of Columbia 333 Constitution Avenue, N.W. Washington, D.C. 20001	Andrew Weissmann Special Counsel's Office 950 Pennsylvania Avenue N.W., Washington D.C. 20530
Daniel Claman Money Laundering and Asset Recovery Section 1400 New York Avenue, N.W., Suite 10100 Washington D.C. 20540	

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on November 28, 2018, in Los Angeles, California.



Russell Miller